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# ***Daily Report***

# **Latin America**

FBIS-LAT-88-243  
Monday  
19 December 1988

# Daily Report

## Latin America

FBIS-LAT-88-243

### CONTENTS

19 December 1988

NOTICE TO READERS: An \* indicates material not previously disseminated in electronic form.

#### CARIBBEAN

##### Cuba

|                                                               |   |
|---------------------------------------------------------------|---|
| Eighth Plenum Held; Budget, Other Issues Noted [Havana TV]    | 1 |
| Alarcon Comments on Brazzaville Agreement [Havana TV]         | 2 |
| Malmierca To Brief Perez de Cuellar on Protocol [Havana TV]   | 3 |
| Angolan President Dos Santos Arrives in Havana [Havana Radio] | 3 |
| Castro Hosts Reception [Havana Radio]                         | 3 |
| Dos Santos Honors Marti [Havana Radio]                        | 4 |
| First Round Talks Reported [Havana International]             | 4 |
| Doctors Return From Armenia; Many Said Saved [Havana Radio]   | 4 |
| Venezuelan President on Reestablishing Ties [Havana TV]       | 4 |
| Cabrisas Inaugurates Joint China Commission [Havana Radio]    | 4 |
| Minister Inaugurates Spare Parts Exhibit [Havana TV]          | 4 |
| UNECA Workers' Activities Noted in Angola [Havana Radio]      | 4 |

##### Dominican Republic

|                                                              |   |
|--------------------------------------------------------------|---|
| PCD Official on Rumors of Castro Visit [Santo Domingo Radio] | 5 |
|--------------------------------------------------------------|---|

##### Grenada

|                                                           |   |
|-----------------------------------------------------------|---|
| Prime Minister's Condition Said Unchanged [Bonaire Radio] | 5 |
| Opposition NDC Postpones Annual Convention [CANA]         | 5 |

##### Haiti

|                                                                      |   |
|----------------------------------------------------------------------|---|
| Press Release Issued on Draft Decree [Port-au-Prince Radio]          | 5 |
| Father Aristide Expelled From Salesian Order [Port-au-Prince Radio]  | 6 |
| Bosco Youth on Expulsion [Port-au-Prince Radio]                      | 6 |
| Military 'Wave of Discharges' Continues [Port-au-Prince Radio]       | 7 |
| Soldiers 'Persecuted' [Port-au-Prince Radio]                         | 7 |
| Relatives Protesting Soldiers' Imprisonment [Port-au-Prince Radio]   | 8 |
| Press Release Issued [Port-au-Prince Radio]                          | 8 |
| Ministry Press Release Criticizes High Prices [Port-au-Prince Radio] | 8 |
| PDCH Lists Money Accepted From Former Mayor [Port-au-Prince Radio]   | 9 |
| Ex-Magistrate To Speak With Journalists [Port-au-Prince Radio]       | 9 |
| Group Concerned Over Delmas Situation [Port-au-Prince Radio]         | 9 |
| Red Cross Hurricane Relief Food Stolen [Port-au-Prince Radio]        | 9 |
| French Unionists at Training Seminar [Port-au-Prince Radio]          | 9 |

##### Jamaica

|                                                          |    |
|----------------------------------------------------------|----|
| Hurricane Damage May Total \$1.8 Billion [Bonaire Radio] | 10 |
| Changes in Duties, Tax-Free Income Announced [CANA]      | 10 |

## MEXICO

|                                                             |    |
|-------------------------------------------------------------|----|
| Economic Stability Pact, Foreign Debt Reviewed .....        | 11 |
| Inflation Low, Growth Moderate [EXCELSIOR 13 Dec] .....     | 11 |
| Debt Renegotiation Sought [EXCELSIOR 14 Dec] .....          | 12 |
| Heritage Foundation Noted [UNOMASUNO 10 Dec] .....          | 13 |
| Ortega's 'Rash' Statements Reviewed [UNOMASUNO 6 Dec] ..... | 13 |

## CENTRAL AMERICA

### Costa Rica

|                                                                   |    |
|-------------------------------------------------------------------|----|
| President Sends Condolences to Gorbachev [San Jose Radio] .....   | 15 |
| Foreign Ministry Protests Border Violations [ACAN] .....          | 15 |
| Meeting With Sandinists on Border Problems [San Jose Radio] ..... | 15 |

### El Salvador

|                                                                          |    |
|--------------------------------------------------------------------------|----|
| Duarte Denies El Salvador Gives Contreras Aid [ACAN] .....               | 16 |
| ARENA Offices Partially Destroyed by Bomb [San Salvador TV] .....        | 16 |
| Capital Security Operation Begins 17 Dec [EL DIARIO DE HOY 17 Dec] ..... | 16 |
| FMLN Sabotage, Attacks Cause Widespread Damage .....                     | 16 |
| San Salvador Power Outage [San Salvador TV] .....                        | 16 |
| Attacks Usulután, Harasses Army [San Salvador Radio] .....               | 17 |
| Attacks Atonal Battalion [San Salvador TV] .....                         | 17 |
| Venceremos on Atonal Attack [Radio Venceremos] .....                     | 17 |
| Inflicts 52 Casualties 16 Dec [Radio Venceremos] .....                   | 18 |

### Guatemala

|                                                                     |    |
|---------------------------------------------------------------------|----|
| Cerezo on Army, URNG, World Bank Loans [LA HORA 13 Dec] .....       | 18 |
| Authorities Arrest Colombian With Cocaine [EL GRAFICO 15 Dec] ..... | 19 |

### Panama

|                                                                                 |    |
|---------------------------------------------------------------------------------|----|
| Reportage on PRD Congress, Speeches, Comments .....                             | 19 |
| Espino Opens Congress [Panama City Radio] .....                                 | 19 |
| Solis Palma Addresses Congress [Panama City Radio] .....                        | 20 |
| PRD President Speaks [Panama City Radio] .....                                  | 21 |
| Duque on Noriega Nomination [Panama City Radio] .....                           | 25 |
| Foreign Ministry on U.S. Withdrawal Plans [LA REPUBLICA DOMINICAL 18 Dec] ..... | 25 |
| U.S. Embassy Accused of Inciting Violence [LA REPUBLICA DOMINICAL 18 Dec] ..... | 27 |
| Media Reports Remarks by U.S. Ambassador Davis .....                            | 27 |
| Ritter Comments [Panama City TV] .....                                          | 28 |
| Termed 'Provocations' [LA ESTRELLA DE PANAMA 17 Dec] .....                      | 28 |
| Paper Assails 'Insolent' Ambassador Davis [LA REPUBLICA DOMINICAL 18 Dec] ..... | 28 |

## SOUTH AMERICA

### Argentina

|                                                                            |    |
|----------------------------------------------------------------------------|----|
| Alfonsín To Dedicate Nuclear Plant in Peru [TELAM] .....                   | 29 |
| Foreign Minister Comments on Geneva UN Session [TELAM] .....               | 29 |
| Defense Minister on Responsibility of Military [NOTICIAS ARGENTINAS] ..... | 30 |
| Army Chief of Staff Discusses Recent Rebellion [DYN] .....                 | 31 |
| Demands Solutions to Problems [NOTICIAS ARGENTINAS] .....                  | 31 |
| Acting Foreign Minister Meets Iranian Envoy [Tehran IRNA] .....            | 32 |
| Fishing Agreement With Bulgaria Not Extended [DYN] .....                   | 32 |
| Government Concerned Over Human Rights March [TELAM] .....                 | 33 |
| Aviation School Training Commander Installed [Buenos Aires Radio] .....    | 33 |

**Chile**

|                                                                            |    |
|----------------------------------------------------------------------------|----|
| Young Labor Leader Tortured, Killed in Cabildo [Santiago Radio] .....      | 33 |
| Interior Minister Issues Communique on Violence [Santiago Radio] .....     | 33 |
| Merino Vows Harsher Measures Against Terrorists [Santiago Radio] .....     | 34 |
| Aylwin Denies Presidential Candidacy Wish [Santiago Radio] .....           | 34 |
| Opposition Proposes Constitutional Amendments [Santiago Radio] .....       | 34 |
| Prosecutor Seeks Prison Sentences for Reporters [Madrid EFE] .....         | 35 |
| Pinochet Orders Changes in Military Justice [Madrid EFE] .....             | 35 |
| Correction to Pinochet Appoints 28 New Governors [EL MERCURIO 2 Dec] ..... | 36 |

**Colombia**

|                                                                |    |
|----------------------------------------------------------------|----|
| Barco Announces 'Formal Dialogue' With M-19 [Madrid EFE] ..... | 36 |
| FARC Accepts Dialogue Proposed by Senator [Hamburg DPA] .....  | 37 |
| Communist Party Closes 15th Congress [Bogota TV] .....         | 37 |

**Peru**

|                                                                   |    |
|-------------------------------------------------------------------|----|
| EFE Previews APRA National Congress [Madrid EFE] .....            | 37 |
| Garcia Addresses Congress [Lima TV] .....                         | 38 |
| Resigns as Party President [Lima TV] .....                        | 41 |
| Congress Supports Garcia [Lima TV] .....                          | 42 |
| Congress Organizers' Communique [Lima TV] .....                   | 42 |
| Police Report on Counterfeit U.S. Currency [Madrid EFE] .....     | 43 |
| Three Shining Path Members Die in Police Clash [Madrid EFE] ..... | 43 |
| Terrorists Murder Mayor, Secretary, Driver [Lima TV] .....        | 43 |
| Social Security Employees Lift Strike [Lima TV] .....             | 43 |

## Cuba

### **Eighth Plenum Held; Budget, Other Issues Noted** *FL1612201588 Havana Television Service* *in Spanish 1800 GMT 16 Dec 88*

[Text] Good afternoon, we bring you an extensive version of GRANMA's information on the eighth plenum of the PCC Central Committee which was held yesterday.

Yesterday afternoon, at the Palace of the Revolution, the eighth plenum of the PCC Central Committee began its work. Fidel Castro, first secretary of the Central Committee; Raul Castro, second secretary of the Central Committee; and the rest of the members of the Politburo and Secretariat presided over the eighth plenum of the PCC Central Committee.

The Central Committee approved the PCC's budget for 1989. Antonio Rodriguez Maurell, Central Committee member and minister president of the Central Planning Board, presented the leadership budget proposal for next year's national economy, as well as the principal aspects of the state budget for that period.

After hearing this report, Fidel stated that in 1989, the nation will face tougher situations than it did in 1988. Despite this, the nation will continue to grow and develop as it has done this year, during which time we have attained a 2.3 percent growth.

The key aspect of next year's budget plan is investments. This includes investments of the highest priority, such as the ones that will earn or save funds which are designated for food production and solving important economic problems and social needs.

Among the programs for food production, he mentioned the Porcine plan which is presently in progress. This plan involves 50 centers. He also mentioned two new dairy programs in Las Tunas and Ciego de Avila.

Comrade Fidel stressed that despite the known problems, we are working toward 1989 with the intent of maintaining what we have and also the nutrition and health levels, while at the same time continuing arduous efforts to solve the deficit of freely convertible currency which has been hurting our economy for years.

Levi Farah, minister of the construction materials industry, talked about the progress made in the extensive investment program which is being undertaken to increase the industry's capacities. He noted that the main difficulty in 1989 will be cement production. Only 93 to 94 percent of the plan is expected to be fulfilled. This will be a result of the problems existing in the plants in Santiago de Cuba, Cienfuegos, Mariel, and Artemisa.

Referring to this topic, Fidel said that this deficit has its origin in the state of neglect the materials industry finds itself in; the studies done by the new leadership of the

Ministry of Construction Materials Industry on the condition of the nation's cement factories, which were actually worse than realized; and in the financial limitations for factory maintenance. Finally, the effects of the heavy rainfall in the middle of the year also added to this problem.

The commander in chief stressed the importance of saving cement as one of the ways to counter the tense situation which will cause the insufficient national production of that important material. The Central Committee heard of the efforts being made to enforce rules concerning unjustified bonuses, perfecting the salary system, and some new ideas on reforming the promotion system. In 1988, according to plans, the work force was increased by 55,000 new workers. As a noted accomplishment, it was said that, for the first time, the number of administration workers has been decreased by 6,300 people and there has also been a decrease of 16,400 directors.

Special attention was paid to the results obtained in organizing work material and salaries in certain of the nation's enterprises.

Later on, Fidel Castro spoke of the special effort needed in the sugarcane industry. Not only is it a source for the production of sugar, but also for nutritious animal feed. Fidel stressed the importance of cultivation, fertilization, and the irrigation of the sugarcane in order to obtain 30,000-40,000 more arrobas per caballeria.

The first secretary of the party explained the great need the nation has, during this difficult situation and difficult economic time that we are going through, to save freely convertible currency for investment in development plans. In this respect, it was decided that a significant reduction of the so-called invisible expenditures would be realized. In relation to this, the government is even considering the need to close more than 15 embassies and some consulates in countries with which Cuba has relations.

The closing remarks of the eighth plenum of the PCC Central Committee were delivered by the first secretary.

Fidel spoke of the tragic results of the earthquake in Armenia and the magnificent display of internationalism and solidarity that our people have given in support of the fraternal Soviet Union, within our limited capacity. Later, the first secretary gave an extensive review of the history of the quadripartite negotiations and the agreement reached. The most marvelous achievement, he said, is having reached all the objectives that we proposed without spilling one more drop of blood, which had to be used to resolve the difficult military situation created at the end of last year.

If the achievements gained in the military area by the Cuban internationalist troops and the valiant Angolan fighters were great, he said, so were the efforts shown in the diplomatic area. We have negotiated seriously and we have reached a serious agreement, noted Fidel.

He stated that as of 1 April 1989 and throughout the following 27 months, all of the internationalist fighters will return to Cuba. Between the time the agreement is definitely signed and 1 April, 3,000 fighters will return. In total, about 50,000 soldiers will return to Cuba within 30 months.

I believe, said Fidel, that this is one of the most important results of this year. We have successfully reached one of the most glorious pages of our history, he said. Now we must turn our attention to the returning comrades, he added, and pay tribute to them with the homage they have earned. [Words indistinct] are reasons, along with many others, to readily receive the 30th anniversary of the triumph to the revolution, Fidel said.

**Alarcon Comments on Brazzaville Agreement**  
*FL1712160388 Havana Tele-Rebelde Network*  
*in Spanish 1413 GMT 17 Dec 88*

["Interview" with Vice Foreign Minister Ricardo Alarcon by Angolan and Cuban reporters in Brazzaville, Congo; date not given—recorded]

[Text] [Unidentified reporter] Vice foreign minister, how would you assess the role of the U.S. mediator in this process and that of the Soviet Union?

[Alarcon] More than once we saw the mediator as being much closer to the other side than one assumes a mediator should be. By definition, the mediator should be in the middle. This occurred because of U.S. interests, and the goals of the U.S. policy. The role of the mediator—the intellectual creator of the constructive engagement theory—was very special because he was mediating between South Africa and two countries, Angola and Cuba, that do not have relations with the United States and toward which the Reagan administration has been very hostile.

Obviously, it is not easy to maintain the impartiality, objectivity, and moderation required by a mediator under such circumstances. I believe that besides this, one has to recognize that Mr Crocker engaged himself totally, with seriousness, in an attempt to find solutions in this negotiating process. His government had a great interest in finding a solution to a regional conflict. Undoubtedly, he was a factor, which despite the faults I already noted, did not prevent positive moments (?at times). This has to be acknowledged.

The Soviet Union has really not been part of this process. The Soviet Union has expressed more than once its support of Angola and Cuba in the efforts the two have made to find a peaceful solution to the conflict. The

Soviet Union has been an important factor in the struggle Cubans and Angolans have waged in resisting and fighting the South Africans. We cannot forget the role the Soviet weapons and military supplies have played. In this sense, it has been a very important factor in this process, but the Soviet Union has not really been part of negotiating process as such.

I would say that the most important thing achieved is that South Africa has had to sign a protocol in which it commits to setting a final date for the implementation of Resolution 435. If one examines the protocol we signed today and compares it to the draft we were about to sign on Saturday 3 December, one would realize that it is almost exactly the same document. The only difference is that there was no agreement at that time on the date for the implementation of Resolution 435.

All of you remember what happened; the South Africans left, there were internal discussions concerning what South Africans said were problems which forced their leadership to hesitate before taking the step. Since their return to Brazzaville, everything has been very simple. We had a ceremony to sign the document. This means this long process of negotiating brought about results which should be considered highly satisfactory.

Cuba and Angola would have preferred an earlier implementation date. Our two delegations insisted that the process begin much earlier than the date which was finally accepted. The fact that talks between Angola and Cuba began and developed as a result of the new situation created by the military victories of our FAPLA [People's Armed Forces for the Liberation of Angola] and Cuban internationalist combatants obtained in Angola in the last few months cannot be ignored. Thanks to this Angolan-Cuban victory and later to the diplomatic and negotiating efforts of Angola and Cuba—based on this new situation existing in Angola—South Africa was forced to accept something that it had not conceded to Western superpowers for 10 years. I believe that Cuba and Angola can be legitimately proud of having obtained this success.

I believe that our comrades who fought in Angola throughout these years, who have fulfilled this worthy and honorable internationalist mission of helping the Angolan people confront the racists' attacks, can feel justifiably proud. We can say that the goals of the mission which included helping the Angolan people to defend their independence, and fight against foreign attacks, have been achieved, and also exceeded. The goal has been exceeded because the agreements we have signed and the one we will sign in New York next week, means that South Africa is legally forced to acknowledge and respect the territorial integrity, and independence of Angola and end internal meddling in her affairs. In addition to this, Angolans and Cubans, through our sacrifice, and our comrades' efforts, have been able to unblock the implementation process which was practically paralyzed from its origins.

The Namibia matter is one of the oldest subjects in the international community. This country has suffered foreign oppression for almost a century. We can be justifiably proud that as a result of our comrade's efforts, our combatants in Angola, and the successful, consistent, and firm way in which these negotiations took place, we also obtaining the independence of a brother country.

I believe this is a very important lesson that extends beyond Cuba and Angola. It shows how, under the proper conditions, small countries, when they follow a revolutionary line and a good policy, do not necessarily have to comply with the demands of the big countries, of the oppressors. They can achieve and even impose their interests and force the aggressors to negotiate and accept just solutions.

I believe this shows—these ideas can be expanded on much more—how the sacrifices of our comrades and our Angolan comrades have not been in vain. They have not been in vain because we have been able to harvest the fruits. We will have a future of peace and security for Angola and a future of independence for Namibia. I believe that for those who have fought and are still fighting in Angola, this should be a reason for justifiable satisfaction. More than a message, what they deserve is what we have stressed, notice of the extremely important role they played. We would not be here without them. We would have not signed the document without them. We would not have had quadripartite talks without them. Thanks to them the opponent had to sit down to negotiate. Thanks to them [South Africa] was forced to accept terms and conditions it had never accepted before.

**Malmierca To Brief Perez de Cuellar on Protocol**  
*FL1612155988 Havana Tele-Rebelde Network*  
*in Spanish 1200 GMT 16 Dec 88*

[Text] UN Secretary General Javier Perez de Cuellar has received Cuban Foreign Minister Isidoro Malmierca in Geneva.

Malmierca briefed Perez de Cuellar on the Brazzaville protocol that was signed this week by Angola, Cuba, and South Africa. Details of the talk were unavailable.

A spokesperson for the UN Secretary General's Office said that representatives of Angola and Cuba met Thursday at that organization's headquarters with the assistant secretary general for matters on special affairs.

Among other things, the Brazzaville protocol denotes 1 April 1989 as the date on which UN Resolution 435 of the Security Council on Namibia will be implemented.

**Angolan President Dos Santos Arrives in Havana**  
*FL1612210488 Havana Radio Reloj Network*  
*in Spanish 2032 GMT 15 Dec 88*

[Text] Jose Eduardo Dos Santos, president of the MPLA [Popular Movement for the Liberation of Angola]-Labor Party and of the People's Republic of Angola, arrived a few minutes ago in Havana from Luanda. Commander in Chief Fidel Castro received him with a warm embrace.

The airport, full of officials and representing the capital's people, was the scene of another historic moment of Cuban-Angolan brotherhood. When the plane landed, the arrival of President Dos Santos was marked with 21-gun salute, followed by the national anthems of Cuba and Angola. Hundreds of small Cuban and Angolan flags unfurled in the afternoon winds together with voices shouting "Cheers" for Dos Santos and Fidel marked a jubilant expression of welcome.

Afterwards, the Angolan president accompanied by Fidel reviewed the honor guard which was composed of the three branches of the service under the command of Colonel Guerrero Ramos. Immediately afterwards, Dos Santos and Fidel greeted the members of the PCC Central Committee Politburo, ministers of the government, and members of the diplomatic corps who were present at the welcoming ceremony.

The African leader also greeted the Angolan students studying in Cuba and the people's representation of Havana City. Afterwards, the FAR ceremonial unit paraded in front of the two leaders.

During his stay, the president of the MPLA-Labor Party and of the People's Republic of Angola will carry out several activities which include high-level official talks.

**Castro Hosts Reception**  
*FL1712025088 Havana Radio Reloj Network*  
*in Spanish 0232 GMT 17 Dec 88*

[Text] Commander in Chief Fidel Castro, first secretary of our party, gave a reception this evening in honor of Angolan leader Jose Eduardo Dos Santos. Party and state leaders, as well as the diplomatic corps accredited in Cuba, attended the reception given by the chief of our revolution to the supreme Angolan leader.

Jose Eduardo Dos Santos, president of the People's Republic of Angola, is here at the official invitation of Commander in Chief Fidel Castro, first secretary of the party and president of the Councils of State and Ministers.

This afternoon, the people of Havana City rendered a warm welcome to the Angolan delegation from the terrace of the Jose Marti International Airport and all along (Van Troy) Avenue.

Angolan President Jose Eduardo Dos Santos is on an official, working, and friendly visit in Cuba.

#### **Dos Santos Honors Marti**

*FL1712172088 Havana Radio Reloj Network  
in Spanish 1703 GMT 17 Dec 88*

[Text] Jose Eduardo dos Santos, president of the MPLA [Popular Movement for the Liberation of Angola]-Labor Party and of the People's Republic of Angola, placed a floral wreath at the foot of the Jose Marti monument at Revolution Square today.

The African statesman was accompanied at the solemn ceremony by Jorge Risquet, member of the PCC Politburo, and the high-level delegation from Angola. The band played the Cuban and Angolan national anthems and the FAR ceremony unit paid the appropriate respects to the Angolan chief of state.

Dos Santos and his entourage then went to the Central Committee offices to begin official talks.

#### **First Round Talks Reported**

*PA1812174388 Havana International Service  
in Spanish 1400 GMT 18 Dec 88*

[Text] President Fidel Castro and Angolan President Jose Eduardo dos Santos held their first round of official talks. The talks will continue throughout the Angolan president's visit, which began on Friday. In a fraternal atmosphere marked by identical points of view, the top-ranking delegations, headed by Fidel Castro and Jose Eduardo dos Santos, noted the great significance of the agreement concluded [in Brazzaville] to resolve the conflict in southwestern Africa. This understanding paves the way for peace and security in Angola, as well as for the independence of Namibia.

During their talks, which began on Saturday in Havana, President dos Santos said that Fidel Castro will be awarded the Agostinho Neto Order, based on a resolution of the politburo of the National Movement for the Liberation of Angola-Labor Party and the National People's Assembly. The order is the highest decoration granted by the People's Republic of Angola. The ceremony to grant this order will be held at date convenient to both sides.

#### **Doctors Return From Armenia; Many Said Saved**

*FL1712184688 Havana Radio Reloj Network  
in Spanish 1705 GMT 17 Dec 88*

[Text] One hundred and five Cuban doctors will return to our country today after a week of intense work in the City of Leninakan in the Soviet Socialist Republic of Armenia, devastated recently by a strong earthquake. The Cuban medical personnel took to Armenia a fully equipped hospital, 14 tons of plasma, and tents to help the victims of the recent earthquake.

(Aleksey Matskiov), deputy minister of public health of the Soviet Union, said at the Moscow airport that Cuba did not waste time in helping the victims of the recent disaster, which caused thousands of deaths and considerable material damage in the Republic of Armenia. The Soviet official added that, after a exhausting trip of almost a day, the Cuban doctors began to work upon their arrival in Armenia. Thanks to this, many people were saved.

#### **Venezuelan President on Reestablishing Ties**

*FL1612162388 Havana Tele-Rebelde Network  
in Spanish 1200 GMT 16 Dec 88*

[Text] Venezuelan President-elect Carlos Andres Perez said that the logical thing would be to reestablish full relations between his country and Cuba. The next Venezuelan leader said that Cuba is a country in Latin America, it is a country in the Caribbean, and what happens in Cuba affects Latin American nations.

#### **Cabrisas Inaugurates Joint China Commission**

*FL1612164488 Havana Radio Reloj Network  
in Spanish 1508 GMT 16 Dec 88*

[Text] The first meeting of the Chinese-Cuban Intergovernmental Commission of Economics and Commerce was open today in Beijing by Cuban Foreign Trade Minister Ricardo Cabrisas and his Asian counterpart, Zheng Tuobin.

At the meeting, both ministers will study the development of bilateral economic and commercial cooperation achieved this year. Both ministers will also study the possibilities for expanding those relations.

#### **Minister Inaugurates Spare Parts Exhibit**

*FL1712023188 Havana Television Service  
in Spanish 0100 GMT 17 Dec 88*

[Excerpt] Over 4,000 samples are on exhibit as of today at the Fourth National Forum of Spare Parts in Pavexpo. Prototypes, parts, and other similar items are on exhibit there.

Pedro Miret Prieto, vice president of the Council of Ministers, officially inaugurated the exhibit. During his tour of the exhibit, he conversed with Soviet academician Konstantin Frolov, vice president of the USSR Academy of Sciences, who will participate in the spare parts forum as of tomorrow. [passage omitted]

#### **UNECA Workers' Activities Noted in Angola**

*FL1712175088 Havana Radio Reloj Network  
in Spanish 1704 GMT 17 Dec 88*

[Text] Cuban internationalists, who compose the forces of the UNECA [Caribbean Construction Enterprises Union] corporation, are working on important projects in the Peoples' Republic of Angola. The second expansion stage of the Luanda port, is among them. The broad

program includes a school with room for 1,200 students, a medical school, and dormitories for the students who will turn the (Americo Boavida) Hospital into a teaching hospital.

They are also working on the installation of an ice factory, a water distribution center, and two secondary schools where Cuban construction workers are training Angolan workers in various construction skills. The UNECA internationalists donated a secondary school to the Angolan Municipality of Cassinga during this school term. This education center was equipped free of charge by Cuba's Education Ministry.

### Dominican Republic

#### PCD Official on Rumors of Castro Visit

FL1612153388 Santo Domingo Radio Mil Network in Spanish 1012 GMT 16 Dec 88

[Text] The secretary general of the Dominican Communist Party (PCD) has said that a possible visit by Cuban Prime Minister Fidel Castro [title as heard] would be received with great pleasure by the majority of the Dominican people.

Narciso Isa Conde said that the Cuban revolution is viewed with extraordinary sympathy throughout the country and Castro's visit would revive that admiration.

Isa Conde said that one should not forget that the Cuban revolution, which elevated Fidel Castro to power, was a challenge to the power held by the United States against Latin America and a large part of the world.

The secretary general of the PCD made these remarks during an interview regarding rumors that Castro will visit the country to participate in ceremonies marking the beginning of the construction of a polytechnical institute in the city of Bani in honor of Maximo Gomez, a Dominican who played a significant role in Cuba's struggle for independence.

Isa Conde said that Castro's intercontinental leadership cannot be doubted by anyone because he is a charismatic figure and because of the meaning the changes in Cuba represent to the democratic movements of Latin America.

The PCD secretary general, who maintains extensive ties with the Cuban revolutionary, said he is not aware of any plans on Fidel Castro's part to visit the country. Isa Conde said that the reports on the alleged visit by Fidel Castro to the country are nothing more than speculation. However, he said that his party would receive a visit from Castro with great pleasure and openness.

### Grenada

#### Prime Minister's Condition Said Unchanged

FL1612130988 Bonaire Trans World Radio in English 1130 GMT 16 Dec 88

[Text] There is no change seen in the condition of Grenadian Prime Minister Herbert Blaize. Doctors at the Walter Reed Army Hospital in Washington continue to examine the Grenadian leader. There is no official word on exactly what is the trouble or how long Mr Blaize is expected to remain in the hospital.

#### Opposition NDC Postpones Annual Convention

FL1712173088 Bridgetown CANA in English 1625 GMT 17 Dec 88

[Text] St. George's, Grenada, Dec 17, CANA—Grenada's opposition National Democratic Congress (NDC) has shifted its annual convention from January 22 to 29. The party which is headed by former Education Minister George Brizan decided on the new date at an executive meeting this week.

The date was changed after the ruling New National Party (NNP) government set January 21-22 as the date for its own convention. The NNP had originally planned to hold its convention December 10-11 but postponed it after Prime Minister Herbert Blaize 70, became gravely ill.

The highlight of the NDC convention is expected to be the stepping down of Brizan to make way for Nicholas Brathwaite, the former interim government head. Brathwaite, who is already down to contest the Carriacou and Petit Martinique Constituency in the next elections, joined the NDC in October after rejecting offers from the others parties.

### Haiti

#### Press Release Issued on Draft Decree

FL1612173188 Port-au-Prince Radio Nationale in Creole 1400 GMT 16 Dec 88

[Text] The Haitian Government thanks the different organizations, political parties, and citizens who have sent, as requested, critiques of and suggestions for the draft of the decree that is to create an independent and stable institution responsible for preparing and organizing unfettered, honest elections nationwide in Haiti. The submission of this draft decree to the sectors concerned is evidence of the government's policy of dialogue, which is (?being) careful to pick out, from all the proposals sent, those to which a majority assents, (?for this is) indispensable to consolidating the democratic process.

More than 20 reactions have already been noted—regarding the constitutionality of the institution, its name, the way members should be chosen, and the creation of the electoral courts.

The government of the Republic, which is counting on every individual's good faith, sense of civic duty, and patriotic responsibility to all sectors of the national life, invites the organizations that have not yet given their opinion to do so as quickly as possible.

The government will take into consideration only responses received by 22 December 1988. The government is expediting this matter because it wants to open the forum that the chief of state announced during the first 2 weeks of 1989, so that they [not further identified] can put in place the framework [kadr] and the institutional dispositions necessary for the organization of democratic CASEC [Administrative Councils for the Communal Sections], section chiefs, comunals, legislative, and presidential elections in Haiti.

This press release is signed by Anthony Virginie Saint-Pierre, minister of information and coordination.

**Father Aristide Expelled From Salesian Order**  
*FL1612162988 Port-au-Prince Radio Haiti-Inter  
in Creole 2100 GMT 15 Dec 88*

[Excerpts] Church authorities have dismissed Father Jean Bertrand Aristide from the Salesian order, said a Salesian authority in Rome to the press today, while this was being discussed in Italy—today. The Reverend Father (Da Costa) announced this to ASSOCIATED PRESS, which telephoned this bit of news to Haiti. [passage omitted] Father (Da Costa) said that according to the information they have, Father Aristide is still in Haiti. [passage omitted]

Despite all of our attempts this afternoon to contact the Reverend Father Jacques Mesidor, who is the head of the Salesian Order in Haiti, we were unable to find him. We were not able to find Father Jean Bertrand Aristide either, to get his first reaction to this news, which hit Port-au-Prince like a bomb this afternoon.

We tried to contact other priests to find out exactly what the significance of this decision was, whether or not Father Aristide is still a priest, and how he will be able to continue to carry out his priestly duties. However, we were unable to find anyone who could tell us anything. [passage omitted]

The last time we saw Father Aristide was last Saturday. He paid us a friendly visit. He came by to let us know that he was here, alive and well. He looked good.

We have been looking for him since this morning, ever since we received this news. We have not yet been able to locate him in order to get his reaction to this; nor have we, as yet, received any reaction to this news, which hit Port-au-Prince, as we said before, like a bomb this afternoon. [passage omitted]

**Bosco Youth on Expulsion**

*FL1612204988 Port-au-Prince Radio Soleil  
Network in Creole 1200 GMT 16 Dec 88*

[Text] The young people of St. Jean Bosco Church are protesting, in a statement, the expulsion of Father Jean Bertrand Aristide from his order [the Salesian Order]. The young people say the expulsion is a hard blow to the Haitian people; and they also consider it a betrayal. The young people say that Father Aristide has always been the voice of those who have none, of those who are unable to express their suffering—that is, people who aspire to change their living conditions. The young people ask all committed priests, all members of the clergy, and all Christians in general who wish to do something for the Haitian people to mobilize and show their disapproval of this action.

[Begin unidentified speaker recording] What the church doesn't understand is that this has thrown an entire people into despair. What exactly is Titide [affectionate nickname for Father Aristide]? Titide represents hope for a change for God's people living in Haiti. The church authorities have today killed that hope.

Don't you know what that means? When you have people who are desperate? Hmmp! [utterance that in Creole implies: "You had better watch out!"]

We were aware of the fact that the church was always on the side of the bigshots, and this action shows ties between church authorities [tet legliz] and the people who are supposed to be leading our country. We already figure they have additional blows planned for us farther down the line, but we are not afraid. We are ready to take any and all consequences.

Why did the church get rid of Titide for seeking change? Why didn't the church find fault with Father (Zico's) [controversial priest widely suspected in Haiti of being either communist or macoute] making macoute speeches? Why does the church not want, will not acknowledge, people who defend the poor?

But what we particularly want to say is that we are calling on all the priests of the grassroots church, all the nuns working for the grassroots church—and when I say the grassroots church I mean everyone who is on the side of the poor, everyone who is really honest—we are calling on them.

The church authorities have taken sides. How about you? We want to know: Are you on the side of the bigshots who are crushing the weak? Are you on the side of those who are ruining the country even more?

The head of the church has chosen sides. If you keep silent, it means that you agree with this actions.

We are calling on all people of goodwill to say, together: We don't agree. [end recording]

**Military 'Wave of Discharges' Continues**  
*FL1612210488 Port-au-Prince Radio Soleil Network  
in Creole 1200 GMT 16 Dec 88*

[Excerpts] The discharging of soldiers who participated in the 17 September 1988 events is continuing nationwide. After Les Cayes, Gonaives, Saint-Marc, Mirebalais, and Croix des Bouquets, it is now the garrisons in Aquin and Petite Riviere de l'Artibonite that are affected by the measures taken by the high-ranking Army officials. Here is our correspondent from Petite Riviere de l'Artibonite.

[Begin (Milceus Gaspard) recording] Enlisted man (Quitiere Claude) received a letter of discharge on 13 December 1988. According to the commander of Petite Riviere de l'Artibonite, he just carried out orders from the captain from Saint-Marc, without reservations.

There are many rumors circulating to the effect that this soldier participated in the uprooting of [former Saint-Marc Commander, Captain] Ravix and all of his thugs [san maman]. After the incidents, (Claude) was transferred to the subdistrict of Petite Riviere. It is reported that the discharged soldier has refused to make a statement on the matter.

Also, in Petite Riviere de l'Artibonite, the detectives [atache] have been reinstated and given the title of barracks police. For the past week now, the tribunals have reopened on Paul Eugene Magloire Street, under a porch that has been well covered using (?woven coconut-palm fibers), so as to receive all the small vendors from the rural areas—who, it seems, have always provided a little cigarette money before leaving. According to our information, most of the thieves (?from) the market are tried in this porch court—without the participation of the barracks. Many peasants have been brought in to explain things they don't even know about.

We remind listeners that in March of 1988, these detectives had opened a court (?in) the market, to judge all kinds of vendors who were refusing to provide money for the authorities to buy cigarettes with.

This is (Milceus Gaspard), Radio Soleil, Petite Riviere de l'Artibonite. [end recording]

Well, the same situation exists in Aquin. Four soldiers have been discharged. Let's listen to our correspondent in Miragoane.

[Begin correspondent recording] [Passage omitted] In Aquin, four members of the Armed Forces were discharged on 13 December: Corporal (Daritien), Corporal Raoul, enlisted man (Jean Timi), and enlisted man (Jean Letrange), whose (?nickname) is (Abali). According to a source in Aquin, it was these soldiers who led the

uprising against their commanding officer in that military district, Captain Beaubrun, following the 17 September coup d'etat. It was also they who had insisted that Second Lieutenant (Michel Jean Noel) be made head of the district.

However, when (Jean Letrange) learned of this, he (?didn't much like it) and very early on Wednesday morning [14 December] he fled, with his weapon in hand. The district commander sent soldiers out to comb the area looking for him. He has not yet been found. [passage omitted]

Also, on Wednesday [14 December] at around 1630, (Jean Gardy Charlotin) was sworn in at the civil court, as prefect. We remind listeners that (Charlotin) was prefect under the CNG [National Government Council]. He was the only candidate for deputy in the 17 January elections, and the development adviser under General Namphy's government.

For its part, the population had, after the 17 September events, chosen (Jean Romel Meralgouave) as prefect. [end recording]

**Soldiers 'Persecuted'**

*FL1612183188 Port-au-Prince Radio Soleil Network  
in Creole 1200 GMT 15 Dec 88*

[Text] The discharging and transferring of soldiers, most of whom participated in the uprising following the 17 September coup, are being examined closely by political parties and organizations. There has already been a great deal of reaction from political parties.

In this connection, the RDC [Christian Democratic Assembly] says it is astonished and asks the entire Haitian people to be in solidarity with these soldiers, who are in trouble.

After 17 September, a people's court [tribunal popile] was formed in Cotes de Fer. This court was made up of patriotic soldiers, who were judging the macoutes denounced for stealing government money, arresting people arbitrarily, and committing criminal acts.

The RDC writes: The Prosper Avril government took quick action to crush those troops, using troops from Jacmel, in order to put an end to those people's courts; and today the patriotic soldiers from Cotes de Fer have been transferred, discharged, and persecuted. The civilian members of this tribunal have had to flee, and leave their homes, in order to avoid losing their lives.

The RDC says it has learned that soldiers from Les Cayes and Aquin who were against treating the Marche a Terre demonstrators and sympathizers in a brutal manner have been discharged. Patriotic soldiers in Mirebalais and Port-au-Prince who supported the population during uprisings have also been discharged.

The RDC says it is indignant to see that the Avril government has reinstated, and promoted, macoutes denounced by the public.

The RDC asks democratic patriots and the masses to come to the aid of all the government's victims. It invites them to form a chain of protection around, and show solidarity with, the victims of the enemies of the nation.

The RDC says it protests the arbitrary and heavyhanded acts being committed and the reinstating being done by the Avril government—of everyone that the population is against.

**Relatives Protesting Soldiers' Imprisonment**  
*FL1612184388 Port-au-Prince Radio Soleil Network  
in Creole 1200 GMT 15 Dec 88*

[Text] The association of relatives of the soldiers imprisoned in the National Penitentiary since 15 October 1988 is continuing to demand justice for the soldiers, whom they say have been imprisoned unjustly, on the pretext that they were plotting to stage a coup d'etat. The association announces that none of the initiatives undertaken have yielded any results.

The association says that on 1 December, it formed a delegation that phoned Colonel (Florestal) at Army General Headquarters to ask for an appointment to meet with General Herard Abraham, head of the Army. They were told over the phone that Gen Abraham would not be unavailable on either 1 or 2 December. The delegation called again on 5 December and was told to call back on 6 December.

The delegation called early in the morning on 6 December. However, writes the delegation, they were told to call back that afternoon. On the afternoon of 6 December, an appointment was made for 1300 on 8 December. However, says the association, on 8 December Gen Abraham was not at Army General Headquarters to receive them. He was at the National Palace. That is what the soldiers' relatives were told.

The association says that it does not understand how, after spending an entire week making speeches on human rights, the government can allow citizens to continue to rot in prison, without sending them to court.

**Press Release Issued**

*FL1712012088 Port-au-Prince Radio Soleil Network  
in Creole 1200 GMT 16 Dec 88*

[Excerpts] The Confederation for Democratic Unity [KID] has made public the discharge letter addressed to Adjutant (Faudresse Pierre-Louis), who has been rotting in jail at the National Penitentiary for the past 2 months, although he was discharged on 16 October. KID writes: What kind of a game has Prosper Avril gotten the people into? [passage omitted]

KID asks General Avril if he is trying to continue to apply Francois Duvalier's policy that considered gratitude a form of cowardice.

In a second press release, KID says it is following attentively the tribulations of the patriotic soldiers. KID says that despite the fact that the Haitian people saw through the government's staging of a show to make people believe that there was a coup attempt, this did not stop Gen Avril, General Abraham, and Sergeant Joseph Heubreux from continuing to persecute the soldiers. KID says that it thinks the time has come for patriotic members of the Armed Forces to reflect upon the old propaganda, the old (?refrain), about corps solidarity—because the misfortunes of the patriotic soldiers are equally those of the workers, the peasants, the unemployed, and the democrats. KID invites them all to stand shoulder to shoulder so that things can really change in Haiti.

**Ministry Press Release Criticizes High Prices**  
*FL1712013888 Port-au-Prince Radio Soleil Network  
in Creole 1200 GMT 16 Dec 88*

[Excerpts] [First announcer] A press release from the Ministry of Commerce and Industry [that appeared on 15 December 1988] announces that the ministry is very concerned about the way the prices of basic necessities are continuing to rise. The ministry reminds producers, merchants, importers, and distributors of these products that there is a need for all patriots to help Haiti's military government improve the lot of citizens with meager means. By lowering the prices, they will help to make life easier for poor people and allow them to adapt to the current situation in Haiti. [passage omitted]

If the producers, merchants, and importers agree to limit their personal profit, they will show their willingness to participate in a policy aimed at saving the country. [passage omitted]

But friends, we must say that a communique such as this says nothing practical. It remains up in the air. It says nothing specifically about the price of merchandise. Does it say that a certain article which was expensive has been lowered in price?

[Second announcer] No, it looks more like a communique that is just talk. Is it going to lead to anything?

[First announcer] The ministry does not offer any concrete solutions, for example: The price of a certain article is too high; the ministry does not suggest that the price be fixed at a certain amount allowing the seller to make a profit and the poor to afford the item. [passage omitted]

**PDCH Lists Money Accepted From Former Mayor**  
*FL1612175688 Port-au-Prince Radio Nationale  
in Creole 1400 GMT 15 Dec 88*

[Excerpts] The Haitian Christian Democratic Party [PDCH] has sent Mrs Carmen Christophe an open letter in which it says that it has heard the statement Mrs Christophe sent the press. [passage omitted] The PDCH asks Mrs Christophe what she would have done had the party accepted the paint she had offered it. The PDCH also wonders if she would like them to return the \$2,000 she gave the party as a gift before the 1987 elections.

The PDCH says in its letter to Mrs Christophe that it is sorry, but that the party has been struggling for 10 years and has always faced and accepted the fact that it is poor! The PDCH says, further, that Reverend Claude has accepted money from Mrs Carmen Christophe on three occasions. The first time it was \$1,000 in cash. He accepted another \$1,000 in personal checks, and this was before Mrs Christophe even harbored the hope of being mayor. The third time the amount was \$700. Mrs Christophe was perhaps at that time aware that she was going to be fired.

Rev Claude put this money into the party's checking account at the BNC [Banque Nationale de Credit]. The PDCH says that it is not at all happy about this! Therefore, with the help of a few people, it is returning a check for \$700 to Mrs Christophe. The party also asks that Rev Claude's name be taken off City Hall's payroll immediately.

This letter is signed by the PDCH's executive secretary, (Menard Charles Roberts).

**Ex-Magistrate To Speak With Journalists**  
*FL1612165088 Port-au-Prince Radio Haiti-Inter  
in Creole 2100 GMT 15 Dec 88*

[Excerpts] (Valcius Estainval) [former magistrate of Gressier] has stated that he refuses to allow the macoutes to use him as a scapegoat. (Estainval) said yesterday that everytime the officials need a macoute, they produce him and use him as a scapegoat. (Estainval) said that although the members of Grand Orient [masonic lodge] know very well who the top macoutes are, he, as a minor macoute, is always hassled.

(Estainval) invites all journalists interested in the truth to come to (Valo) Beach in Gressier around 1030 on Saturday, 17 December 1988. (Estainval) says he is tired of being used as a macoute scapegoat. He intends to tell what he knows.

[Begin (Estainval) recording] (?For) everything that happens in the country, I am supposed to be the scapegoat [yo vle'm fe'm pase kom bouk emiser]. I am the person that is captured. I have to go to court. Why? Why do I have to go to court everytime something happens in Haiti? [passage omitted] [end recording]

(Valcius Estainval) made that statement this week at the Law Courts in Port-au-Prince, as he left the office of the examining magistrate who had summoned him in connection with the St. Jean Bosco Church massacre that occurred on 11 September.

**Group Concerned Over Delmas Situation**  
*FL1712012888 Port-au-Prince Radio Soleil Network  
in Creole 1200 GMT 16 Dec 88*

[Text] In a press release, the federation of committees for the revival of Delmas [federasyon komite relevman Delmas] says that it is very concerned over the way the political situation is deteriorating in Delmas because of the presence of certain officials at City Hall implicated in the St. Jean Bosco [killings] and the [burning down of] the Immaculate Conception Church in Cite Soleil. The organization asks President Prosper Avril to clean up Delmas City Hall.

**Red Cross Hurricane Relief Food Stolen**  
*FL1712014588 Port-au-Prince Radio Nationale  
in Creole 1400 GMT 16 Dec 88*

[Report by Jeremie correspondent Luckner Laguerre]

[Excerpts] A delegation from the Ministry of Public Works in Port-au-Prince has visited Jeremie. [passage omitted] A reliable source told us the work is going to begin next January. Several other unpaved streets in town are going to be paved [with, instead of asphalt] paving blocks.

Also, a Red Cross food warehouse in Jeremie was ransacked yesterday. The Red Cross office in Jeremie had received this food this week. There was oatmeal, millet, milk, and oil. Several people entered the warehouse at night and all morning yesterday [as heard] and carted off sacks of millet, milk, and much oil.

A member of the Jeremie Red Cross told us that some 60 percent of the food that was in the warehouse was stolen. The food was going to be distributed to the victims of Hurricane Gilbert. This is Luckner Laguerre, RTNH, Jeremie.

**French Unionists at Training Seminar**  
*FL1612181088 Port-au-Prince Radio Soleil Network  
in Creole 1200 GMT 15 Dec 88*

[Excerpt] Two French and Martiniquais unionists—(Denis Jacot), representing the French Democratic Labor Confederation [Konfederasyon Franse Demokratik Travay], and (Denis l'Ange), representing the Democratic Workers Organization of Martinique [Santral Demokratik Martinike Travaye Yo]—are currently in

Haiti to help train the unions affiliated with the Autonomous Organization of Haitian Workers [CATH]. This training seminar is the second of a series that began in August. This delegation is to travel to the provinces to meet with CATH-affiliated unions. [passage omitted]

### **Jamaica**

**Hurricane Damage May Total \$1.8 Billion**  
*FL1612125088 Bonaire Trans World Radio  
in English 1130 GMT 16 Dec 88*

[Text] Jamaican Prime Minister Edward Seaga says damage by Hurricane Gilbert could total as much as \$1.8 billion. In October he had said it would only be about \$1 billion. And, as he told parliament, more than \$600 million has been pledged by donor nations and financial institutions in the aftermath of the hurricane.

Starting next week, the Jamaican Government will lower custom and stamp duties to allow businesses to import new equipment for rebuilding.

**Changes in Duties, Tax-Free Income Announced**  
*FL1612194588 Bridgetown CANA in English  
2009 GMT 15 Dec 88*

[Text] Kingston, Jamaica, Dec. 15, CANA—The duty on imported capital goods will be lowered and the level of tax-free income will be raised in Jamaica at the end of the year, Prime Minister Edward Seaga announced during an address to the nation Wednesday night.

He said the aggregate rate of customs and stamp duty on capital good such as machinery will now be no higher than 20 percent. Goods that under the tax provisions of the Caribbean Community's (Caricom) trade agreements will not be affected by the change.

Also as of January 1, the level of tax-free income will be increased from J8,580 dollars (one J dollar—U.S. cents) to J10,400 dollars, Seaga said.

The reductions are part of a massive reorganization of Jamaica's import duties, which once topped 200 percent for some goods. Seaga has promised that by 1992 imported goods will not be subject to more than 30 percent tax.

## Economic Stability Pact, Foreign Debt Reviewed

### Inflation Low, Growth Moderate

PA1612152388 Mexico City EXCELSIOR in Spanish  
13 Dec 88 p 12-A

["Pact for Economic Stability and Economic Growth: Agreement for the period January-July 1989" signed on 12 December at the National Palace in Mexico City]

[Text] 1. During the last few months, the federal government and the labor, peasant, and business sectors have paid great attention to the country's economy. They have maintained a particularly watchful eye on price fluctuations and the situation of public finances, money in circulation [agregado monetario], interest rates, and the currency exchange market.

2. This examination has led to the following conclusions:

a) The inflation rate has noticeably decreased. In the last 5 months, prices increased an average of 1 percent a month. The great progress in curbing inflation was achieved without causing a severe recession. It has been estimated that GDP growth at the end of 1988 will be positive, though moderate.

b) The figures available allow one to forecast that the public finances final accounting in 1988 will be satisfactory. The primary surplus of the public sector, in particular, will be almost 8 percent of the GDP. This occurred despite the adverse conditions, such as the decrease in oil prices and the increase in the cost of grain imports, among others. To compensate for the decrease in government income, in view of the original forecast, budgeted expenses were adjusted by a bit more than 1.5 percent of the GDP.

c) Nonoil exports during the current year were conducted satisfactorily. However, the balance of payments has been unfavorably affected by several factors, including the decrease in oil price's, the increase of international prices of certain agricultural products of which large quantities are imported, the increase in interest rates on foreign financial markets, and the negative flow of foreign credit.

3. In view of these circumstances, the various groups agreed on the need to prepare a transitional economic program to strengthen the country's capacity to negotiate with our foreign creditors and to guarantee local economic stability. To establish the basis for a gradual and permanent economic renewal, it is necessary to discuss the foreign debt problem within the framework of the ideas expressed by the president in his inaugural speech. Similarly, it is necessary to adopt measures regarding foreign exchange, lines of credit, and public finances in order to increase nonoil exports and control imports. Because of these considerations, the labor, peasant, and business sectors and the government have reached the following agreement:

1. The draft income law and the draft budget that the Executive Branch will submit to the honorable Mexican Congress on 15 December will correspond with our intention to maintain a public finance balance compatible with the consolidation of the fight against inflation and with price stability and will establish the basis for the gradual and sustained recovery of our economic growth.

2. Concerning public sector tariffs and prices, there will be no increases in the prices of products and services that have a significant impact on consumers' budgets. These include electricity rates and the price of gas. To contribute to the reorganization of public finances, there will be increases in the prices of some goods and services produced by the public sector and that affect industrial and trade activities. Those products and services entail subsidies that do not really have a social and economic justification.

3. Regarding foreign exchange policy, as of 1 January there will be daily adjustments in the foreign exchange rate. This will allow those who invest in pesos to obtain a better result than that obtained from investments in other currencies. The foreign exchange rate will be adjusted at an average of 1 peso a day beginning 1 January and until 31 July 1989. That will be done without giving up the goal of stabilizing the foreign exchange rate during 1989; if circumstances allow, we would prefer to stabilize it before the current agreement expires.

4. The import tariff structure will be modified to lessen the present division and help eliminate the distortion caused by current inconsistencies.

5. Corporation associations will recommend that member businesses absorb salary raises, exchange rate adjustments, and price and rate increases, keeping the prices in effect as of this date. As for the products whose prices are subject to government control or must be registered, the Secretariat of Commerce and Industrial Development [SECOFIN] will examine the few cases in which there could be extreme deficiencies that might seriously jeopardize the supply of essential goods or threaten the existence of the industry or economic activity involved.

6. The federal government will immediately initiate throughout the country a program to eliminate economic regulation measures that result in unjustified costs or unnecessarily hamper the citizens' genuine right to develop the economic activity they choose, provided such activities are legal. A suitable program will be established at SECOFIN.

7. The unions' right to regularly revise their collective labor contracts is hereby reaffirmed.

8. The government reiterates its willingness to encourage greater rural productivity to raise the peasants' income and standard of living. Particularly, regional stimuli will

be offered so producers can profit from the commercialization of common lands. Guaranteed prices for the fall-winter season will be revised in accordance with the agricultural schedule. Until then, and to avoid harming the farmers' economic situation, the prices of both fertilizers and the energy used for irrigation will not be increased. Steady diesel fuel prices at the current level will also benefit farmers.

The parties agree to appoint a commission to follow up and evaluate the obligations they have agreed to in this pact. The follow-up and evaluation will be done with the thoroughness and regularity that the parties consider pertinent.

By signing the present agreement the labor, peasant, and business sectors, along with the federal government, reaffirm their desire to work together in agreement and in solidarity for the solution of Mexico's problems.

This agreement was signed at the National Palace on 12 December 1988 in the presence of the president of the United States of Mexico.

[signed] Honor Witness, Carlos Salinas de Gortari.

For the Federal Government: Arsenio Farell Cubillas, secretary of labor and social welfare; Pedro Aspe Armella, secretary of finance and public credit; Ernesto Zedillo, secretary of planning and budget; Jorge de la Vega, secretary of agriculture and water resources; Jaime Sierra Puche, secretary of commerce and industrial development; Fernando Gutierrez, government secretary.

For the Labor Sector: Jorge Sanchez Garcia, president of the Labor Congress; Ignacio Cuauhtemoc Paleta, secretary general of the Mexican Workers Regional Confederation; Fidel Velazquez Sanchez, secretary general of Confederation of Mexican Workers; Roberto Castellanos Tovar, Revolutionary Confederation of Workers and Peasants; Francisco Hernandez Juarez, secretary general of the Trade Union of Telephone Operators of the Mexican Republic.

For the Peasant Sector: Hector H. Olivares Ventura, secretary general of the National Peasant Confederation [CNC]; Javier Ahumada Padilla, president of the National Confederation of Small Agricultural, Livestock, and Forest Properties; Francisco Merino Rabago, coordinating secretary of the CNC's National Executive Council.

For the Business Sector: Agustin Legorreta, president of the Business Coordinating Council; Clemente Cabello Pinchetti, president of the Mexican Association of Insurance Companies; Eduardo Garcia Suarez, president of the Confederation of National Chambers of Commerce, Services, and Tourism; Pablo Escandon Cusi, vice president of the Mexico City National Chamber of Commerce; Jose Manuel Caso Menendez, president of the

National Agricultural Council; Vicente H. Bortoni Gonzalez de Cosio, president of the Confederation of Industrial Chambers; Jorge Kahwagi Gastine, president of the National Association of the Processing Industry; Jorge Ocejo Moreno, president of the Mexican Employers Confederation; Alfredo Harp Helu, president of the Mexican Association of Stock Brokers.

### Debt Renegotiation Sought

PA171222588 Mexico City EXCELSIOR in Spanish  
14 Dec 88 pp 1-A, 10-A

[Unattributed article]

[Excerpts] In speeches to Labor Congress leaders and to Mexican senators, Finance and Public Credit Secretary Pedro Aspe Armella said it is necessary to reduce the level of resources being used to service the foreign debt. He said that Mexico has advocated renegotiating its debt with its creditors, and has warned that Mexico can no longer allocate 5 percent of its GNP to servicing the debt.

He announced that a new tax on fixed assets owned by enterprises is being prepared and that a significant cut in workers income tax is planned.

Roberto Castellanos Tovar, a leader of the Revolutionary Confederation of Workers and Peasants, said yesterday at a news conference that during a meeting of producers held in the labor secretary's office before the signing of the Pact for Stability and Economic Growth on 12 December, Aspe Armella told labor leaders the country's foreign debt position.

Castellanos Tovar said: "We understand that the objective is to reduce the annual foreign debt service payments to \$8 billion. He said that at present the payments are between \$10 billion and \$12 billion. After renegotiation, the state would have the resources to initiate a gradual and sustained economic recovery."

Yesterday, Aspe Armella met in his National Palace office with some senators, including Emilio M. Gonzalez Parra, Alfonso Martinez Dominguez, and Jesus Rodriguez Rodriguez, chairman of the Senate's Finance Commission.

Rodriguez told journalists that the finance secretary had breakfast with, "a group of friends" with whom he discussed the new pact, "which makes no further demands of the workers."

According to one senator, Aspe Armella also said the new pact contains a small pay increase (8 percent) and that "given the low inflation rate, it should be noticed that we have achieved what we have been struggling for all these years: an increase in purchasing power for the people."

The pact "asks more from the business sector." They have been informed that some public sector costs will go up and they will not be allowed to pass the cost on to consumers. Rodriguez said: "Apparently they have accepted this."

Rodriguez noted that the secretary said that bills on fiscal revenues and expenditures for submission to Congress will have to be adjusted to meet the new conditions created by the pact. [passage omitted]

Other senators said that Secretary Aspe Armella mentioned a reduction in the amount of resources being sent abroad to service the foreign debt, which currently amounts to between 5 and 6 percent of GNP, and is the cause of serious decapitalization in Mexico. [passage omitted]

One senator was asked: What is your impression of the secretary of finance?

The senator answered: "He is a very experienced and well-prepared young man, and not only academically. He understands Mexican politics."

#### Heritage Foundation Noted

PA1612185588 Mexico City UNOMASUNO in Spanish  
10 Dec 88 p 16

[Editorial: "Change of Focus on the Foreign Debt"]

[Text] While the ultraconservative Heritage Foundation advises U.S. President-elect George Bush to use the inevitable strategy of renegotiation to decrease the Latin American nations' world debt in order to make progress in privatization and free trade, the major Latin American debtors are beginning to take timid steps toward making at least a unified proposal at a future meeting.

Both situations truly reflect the evolution of the foreign debt crisis over the past 6 years. The Heritage Foundation has been, for many years, the ideological source par excellence for Ronald Reagan and the Republican Party's most conservative segments. The foundation has produced figures such as Jeanne Kirkpatrick and documents such as her famous Santa Fe Document (which set the agenda for Reagan's foreign policy during his first term). It has also served as the foundation of U.S. financial policy, which triggered the foreign debt crisis in the first place. During this period, the Heritage Foundation has doggedly opposed any solution to the crisis that transcended market mechanisms. At one time it even opposed minor solutions for the crisis, such as the Baker Plan.

Simultaneously, the debtor countries (including Mexico), who for 6 years had refused to adopt a common strategy—attempting to solve a global problem on their own—have decided to form the Rio Club. Although the

claim has been constantly denied, this is a debtors' club—even if this term is a source of embarrassment for several of its members. Of course, the situation has changed. In Mexico, Carlos Salinas has already announced a radical change in Mexico's philosophy toward debt negotiation. In Venezuela, Carlos Andres Perez' rise to power will mark a relationship with the United States that will differ greatly from that of Jaime Lusinchi. In Argentina, Raul Alfonsin has practically lost the historic opportunity to reaffirm democracy and redirect the country toward development, because he is constantly making concessions on the foreign debt. Brazil can no longer flaunt the growth rates of 4 or 5 years ago when it could afford to pay its debt without negotiating with the IMF. It already knows it should expect the unappealing fate of those who dare to defy the creditors on their own. Within such a framework, it is no longer possible to maintain the status quo. The renegotiation of the foreign debt has become inevitable; it must guarantee a decrease in the value of the debt and interest rates that are far lower than the current ones.

Those in the Heritage Foundation may be ultraconservative, but they are not blind. Their change in position is obvious: A renegotiation must occur between debtors and creditors in the immediate future within a framework that inevitably leads to a decrease. What the Foundation is proposing is that this negotiation serve as a lock binding Latin America's future to that of the northern power. It would only accept an almost total privatization of state enterprises along with the reduction of the foreign debt and a total opening of our economies to agriculture and services. Will the Rio Club respond to this proposal?

#### Ortega's 'Rash' Statements Reviewed

PA1612173788 Mexico City UNOMASUNO in Spanish  
6 Dec 88 p 20

[Editorial: "Daniel Ortega's Rashness"]

[Text] Daniel Ortega's categorical statement that "it has not yet been proved that profound changes can be made in Latin America through peaceful means" seems to have been the result of a desire to please the press rather than a careful analysis of Latin America's current political scene. Otherwise, Ortega could have recalled that power had already been achieved peacefully to effect profound social changes in a Latin American country. We are referring to Chile and Allende's Popular Unity electoral victory. We refer to Chile in particular because Ortega decided only to criticize Chilean revolutionaries for not taking advantage of the circumstances to launch an armed struggle against Pinochet.

"In Mexico, Ortega said, "armed struggle is not regarded as an option to reach power." Ortega is right, but he failed to add that the leftist forces that support Cuauhtemoc Cardenas have developed a long-term strategy: a peaceful struggle to seize power through participation in elections and a tacit and emphatic rejection of violence as a means to seek power.

A careful reading of the interview conducted by UNOMASUNO and Ortega's statements during a news conference reveal that Ortega's thoughts contain no nuances. His thinking has no middle ground and is limited to slogans that have taken root in his head and have the astringent aroma of dogma. And dogma is dogma no matter how revolutionary it may be. Moreover, Ortega's statement that Nicaragua resorts to international fora because "they are the only instruments that

countries without nuclear power and arms have to defend themselves" was unfortunate. This is obvious by focusing on what Ortega did not say: that Nicaragua would not resort to international fora if it had nuclear potential.

These rash statements can be understood given the atmosphere surrounding the Sandinist leaders. They are subject to the brutal pressure of a counterrevolutionary war and have been harassed and attacked by the United States ever since Reagan arrived at the White House. Just yesterday, for example, an unidentified U.S. official called for "military surgery" for the Sandinist cancer. Meanwhile, the State Department placed travel restrictions on Ortega's delegation, compelling the Nicaraguan president to give up his idea of addressing the UN General Assembly.

## Costa Rica

**President Sends Condolences to Gorbachev**  
*PA1512140688 San Jose Radio Reloj in Spanish*  
1200 GMT 14 Dec 88

[Text] Costa Rican President Oscar Arias has sent condolences to CPSU General Secretary Mikhail Gorbachev over the earthquake in Armenia. The message reads, in part: In these hours of the Soviet people's grief over the death of thousands of persons in the Armenian SSR as a result of the recent earthquake, please accept the condolences and solidarity of the Costa Rican people and myself.

In his message, President Arias added: The Costa Ricans share your sorrow.

**Foreign Ministry Protests Border Violations**  
*PA1612222588 Panama City ACAN in Spanish*  
2034 GMT 16 Dec 88

[Text] San Jose, 16 Dec (ACAN-EFE)—Costa Rican Foreign Relations Minister Rodrigo Madrigal Nieto today warned that Costa Rica will not tolerate further violations by Panamanian authorities of the border between the two countries. He has consequently sent a protest note to the Panamanian Government.

According to Madrigal Nieto, the Costa Rican protest note was sent to the Panamanian Foreign Affairs Ministry. In the note, President Oscar Arias' government pointed out the violations "with utmost vehemence" and urged the Panamanian authorities to "try" to put an end to such actions.

The diplomatic action was based on a report by Government Minister Antonio Alvarez Desanti, which listed eight recent violations of Costa Rican territory and Costa Rican nationals by Panamanian authorities.

Madrigal Nieto said that he has already spoken to Panama Foreign Affairs Minister Jorge Ritter about the possibility of holding a meeting between officials from both governments to establish some sort of understanding and thus "prevent these problems from occurring again."

In Madrigal Nieto's opinion, one of the elements that has most contributed to the occurrence of the border incidents is "Panama's domestic political situation."

According to Madrigal Nieto, the Panamanian authorities are nervous because "they fear" that some type of subversive movement is being created in Costa Rica. That apprehension, he explained, "makes them see suspects and act improperly against them."

This time, however, the Costa Rican diplomat warned that "we do not want to stop at merely protesting." Madrigal Nieto has therefore proposed to his Panamanian counterpart that a joint action be taken to "bring peace to the border once again."

Madrigal Nieto does not think it is necessary to meet with Ritter at this time; however, he has not precluded the possibility that a future meeting at this level could be beneficial for both countries.

The Costa Rican Government will protest to President Solis Palma's Government over the confiscation of Costa Rican coffee on Costa Rican soil and over the arrest of several Costa Rican citizens by Panamanian authorities.

On one occasion, several Costa Rican high school teachers working at a school near the common border were arrested. The teachers were later told that they had been mistaken for subversives.

In addition, a Costa Rican national suffered a shotgun wound when he resisted arrest. He was warned not to tell anyone what had happened or that he would be violently "punished" if he did.

Madrigal Nieto described these events as "contemptible."

**Meeting With Sandinists on Border Problems**  
*PA1712033288 San Jose Radio Reloj in Spanish*  
1200 GMT 16 Dec 88

[Text] Yesterday's meeting between Sandinist and Costa Rican Government authorities was held without making any changes in the agreements reached in November in San Juan del Sur. The delegations were divided into three commissions which, according to the participants, worked in an atmosphere of brotherhood and cooperation.

The objective of the meeting was to review the San Juan del Sur agreements and to make preparations for the next meeting to be held in Managua on 14-15 January. The delegations agreed to continue the joint border patrols to guarantee a normal situation and to fight criminal activity in the border region. They also agreed to establish the means to exchange information to fight drug trafficking. The delegations also agreed to maintain the system for the swift return of Nicaraguans who do not fall under the status of refugees. In this regard, the Nicaraguan delegation reiterated its government's willingness to broadly cooperate with the Costa Rican authorities to find solutions to the problem of uncontrolled immigration.

The meeting was held at the police school in Ojo de Agua. According to the leaders of the two delegations, no agenda was drafted for the next meeting in Managua in 1989. The Costa Rican delegation was led by Marino

Sagot, senior officer of the Security Ministry, and the Nicaraguan delegation was led by Colonel Roberto Calderon, chief of the 5th Military Region. The Costa Rican security and government ministers attended the opening of the meeting, but they did not participate in the entire working session.

### El Salvador

**Duarte Denies El Salvador Gives Contras Aid**  
PA1712000588 Panama City ACAN in Spanish  
2204 GMT 16 Dec 88

[Excerpts] San Salvador, 16 Dec (ACAN - EFE)—Salvadoran President Jose Napoleon Duarte today denied Nicaraguan Defense Minister Humberto Ortega's claim that the "contras" are being supplied with military aid from El Salvador.

Duarte, who is also commander in chief of the Salvadoran Armed Forces, said that "the Nicaraguan defense minister's claims that flights from El Salvador are supplying the contras are false and I publicly deny them." [passage omitted]

After attending a ceremony at a public security academy, Duarte said that "the government does not approve of any intervention or the use of Salvadoran territory for any action to destabilize another nation. I also oppose any action to destabilize El Salvador." [passage omitted]

Meanwhile, Salvadoran Defense Minister Eugenio Vides Casanova supported President Duarte's position on the supply of aid to the "contras" from El Salvador, and denied that clandestine groups were doing that from El Salvador.

"We have been clear: neither the government nor the military staff give any type of aid to another country. At this moment no groups exist that can aid the contras clandestinely or without the government's permission."

Vides Casanova added that "if such groups have ever existed in El Salvador, they have been very small."

**ARENA Offices Partially Destroyed by Bomb**  
PA1712043188 San Salvador Canal Doce Television  
in Spanish 0340 GMT 17 Dec 88

[Text] The offices of ARENA [Nationalist Republican Alliance] were partially destroyed by a bomb thrown tonight by unidentified individuals. According to reports, no one was injured in the bombing, which caused alarm among those inside the building. The explosion occurred at approximately 1830 this evening, partially damaging the roof and several walls, as well as a car in the parking lot.

So far no group has claimed responsibility for the bombing.

**Capital Security Operation Begins 17 Dec**  
PA1912020388 San Salvador EL DIARIO DE HOY  
in Spanish 17 Dec 88 pp 5, 23

[Text] It has been officially reported that a special security operation, in which about 3,000 members of the security services, reinforced by regular Army patrols, will participate, will begin throughout the country on Saturday, 17 December.

Police Director Colonel Carlos Guzman Aguilar said the plan primarily is to enhance security in the capital.

Col Guzman talked with reporters during his meeting with customs house brokers [representantes de casas tramitadoras] at the Traffic Department. He told the brokers that a special office will be opened to handle their activities.

He also said the Armed Forces will have "to make use of every available resource to ensure the Salvadoran people's safety," because the terrorists have threatened to increase attacks in San Salvador.

The officer said security will be increased in shops, industrial areas, and those places where a security officer is usually required.

He pointed out that the terrorists regard the transportation system, electricity lines, telephone junction boxes, and other sectors of the Salvadoran economy as military targets.

The security plan includes the deployment of plainclothesmen in public gathering places.

**FMLN Sabotage, Attacks Cause Widespread Damage**

**San Salvador Power Outage**  
PA1612204088 San Salvador Canal Doce Television  
in Spanish 1900 GMT 16 Dec 88

[Text] The capital woke up this morning without power due to guerrilla sabotage of the power distribution system. The Electric Light Company of El Salvador [CAESS] reported that more than 60 percent of the power system is down as a result of FMLN sabotage at daybreak. A CAESS spokesman said only 40 percent of the power system is working, and most of northern, eastern, and southern San Salvador remain without power.

Lempa River Hydroelectric Executive Commission [CEL] spokesmen report that they do not know the exact number of power poles destroyed, but CEL spokesmen said five 115,000-volt and two 46,000-volt power lines have been destroyed.

The five damaged power lines in northern San Salvador connect the main hydroelectric power plants with the rest of the country. CEL spokesmen expect to restore

electric power this afternoon, but they warned that power rationing may be imposed in various parts of the capital until repairs are completed.

#### **Attacks Usulután, Harasses Army**

PA1712040188 San Salvador Radio Cadena YSU  
in Spanish 1200 GMT 16 Dec 88

[Text] The guerrillas this morning destroyed at least five official and private vehicles parked at the Salvadoran Institute of Coffee Research (ISIC) in Santa Tecla. Reports indicate that about 20 guerrillas arrived at the ISIC at 0130 on Friday and set two vehicles on fire. Three of the five cars destroyed were private vehicles.

Last night the guerrillas harassed a National Guard post in Tejetepeque, Cabanas Department. Reports indicate that the guerrillas began the attack at 1930 last night and withdrew from Tejetepeque at 2130. No casualties or damage were reported.

Another report indicates that the FMLN this morning blew up a high-tension power line in Los Chorritos, near Guacotecti in central Cabanas Department.

Regarding the FMLN attack on Usulután, official sources report that the attack began at approximately 1245 on Thursday and lasted for approximately 3 hours. The troops hardest hit were in the Atonal counterinsurgency battalion stationed in southern Usulután. It was also reported that a guerrilla, who had set up a catapult to launch mortars at the military post, was killed during the attack. Three civilians were wounded in El Naranjo neighborhood and are currently receiving medical attention at the San Pedro Hospital.

During their attack to Usulután City, 110 km east of San Salvador, the rebels set a gas station on fire. The rebels partially destroyed La Montanita bridge near the 116 km marker of the coastal road between Santa Elena and Ereaguayquin. According to reports, the guerrillas also destroyed three power poles near this area, thus preventing the flow of electricity from the San Miguel gas plant to the city.

In Ozatlan, the rebels also destroyed some power poles. The Usulután electricity plant has not reported the exact number of power poles destroyed by the rebels.

The rebels also harassed Infantry Brigade battalion posts in Tierra Blanca Canton, near the 96 km marker of the coastal road. There are no reports on casualties related to this rebel attack on Tierra Blanca.

According to a 6th Infantry Brigade spokesman, only one soldier was wounded during the Usulután attack.

#### **Attacks Atonal Battalion**

PA1712044188 San Salvador Canal Doce Television  
in Spanish 0315 GMT 17 Dec 88

[Report by Alfredo Villareal from Usulután Department]

[Excerpts] For the second time in 3 months, FMLN guerrillas this morning attacked Atonal Battalion military positions, headquartered in Usulután Department, about 80 km east of this capital, with rifle fire and homemade explosives.

According to reports provided by military sources, the action lasted 1 and ½ hours, from 2330 to 0100 today. The rebels destroyed the (Tele) Usulután gas station owned by (Ricardo Pajua) and the Esso coastal station, which suffered its second attack this year. Damages at these two gas stations were estimated at approximately 500,000 colons. [Passage omitted]

The outskirts of Usulután was the site of heavy clashes that left four guerrillas dead. Two were killed while trying to enter Atonal installations, and the others were killed in the cemetery area where their bodies were examined by the Second Office of the Justice of the Peace in this town. [passage omitted]

The guerrillas also dynamited five electric towers on the Coastal Highway causing power outages for several hours in this city. Power was later restored by work crews.

In this same area of Ereaguayquin jurisdiction, the rebels heavily damaged the Mantanita bridge, which links the departments of Usulután and San Miguel along the coastal area.

Meanwhile, on Friday morning, Atonal Battalion troops combed the area. They found weapons and several powerful explosive devices that were defused to prevent injuries to civilians.

To Colonel Roberto Canada, officer of the 6th Infantry Brigade, these guerrilla attacks were undertaken for propaganda purposes only. [passage omitted]

According to available information, the guerrillas not only attacked Usulután, but also harassed military positions in Joateca, Yoloaiquin, and Delicias de Concepción, in the northern area of Morazan Department. These rebel incursions are part of the most recent military regional campaign announced by the FMLN for the latter part of this year. We have now seen the results of this campaign.

#### **Venceremos on Atonal Attack**

PA1912030688 [Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 17 December broadcasts a 12-minute war bulletin from

the Francisco Sanchez Eastern Front. The bulletin provides details on the FMLN's artillery attack on the Atonal Battalion garrison in the city of Usulután and on other coordinated guerrilla actions throughout the country.

The war bulletin says the attack on the Atonal Battalion garrison in Usulután began at 2330 on 15 December and lasted until 0030 on 16 December. According to the report, "the garrison was attacked from two sides" with artillery and RPG-7 rocket launcher fire, which hit the battalion's installations and destroyed a military vehicle. The war bulletin says "the enemy suffered 25 casualties." In addition, it reports that the rebels seized a PRC-77 radio and sabotaged a gas station and the Institute of Supply Regulations offices.

The war bulletin goes on to report an FMLN attack on "enemy positions" in Tierra Blanca, also in Usulután Department, on the same day. The rebels, the report says, blew up a bridge and sabotaged the electricity system. The bulletin further claims "the enemy suffered five confirmed casualties" when the guerrillas attacked a Jucuaran Battalion communications post in the area.

The war bulletin also reports bomb and dynamite attacks on other cities in Usulután Department, including Arenales, Tapesquillo Alto, Los Amates, Piedra Alta, and Los Zelaya. It adds that the rebels sabotaged the electricity system between Santiago de María and El Triunfo and along the Los Ríos - Mercedes Umana highway. Moreover, the report says FMLN units "inflicted 10 casualties on the enemy" when the rebels ambushed a military truck heading toward Usulután on the coastal highway at the Los Frailes bridge at 0700 on 16 December.

In addition, the war bulletin includes a report on other actions conducted simultaneously in other departments in support of the Atonal Battalion garrison attack. Among the "many coordinated actions", the report indicates, the rebels carried out an attack on an Arce Battalion unit near Sesorí, San Miguel Department, and inflicted 12 casualties on the Army. The bulletin further reports that the guerrillas sabotaged the electricity systems in San Luis De La Reina, Ciudad Barrios, Chapel-tique, Moncagua, and the El Triunfo - Lolotique stretch of the Pan-American Highway. The report adds that the guerrillas inflicted seven casualties on the Army in San Ildefonso, San Vicente Department. In conclusion, the bulletin says the rebels attacked Cacahuatique Battalion units in Joateca and Corinto and Lenca Battalion units in Delicias De Concepción.

**Inflicts 52 Casualties 16 Dec**  
*PA1812032288 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 18 Dec 88*

[Text] We have a war bulletin in a direct link with the Modesto Ramirez Front.

The FMLN has inflicted [words indistinct]

1. On 16 December FMLN guerrillas ambushed Duartist Army troops traveling in a military truck on km 37 of the Pan-American Highway near Cojutepeque. Three powerful Manuel Jose Arce mines were detonated, inflicting 25 casualties on the Army. The truck was completely destroyed.

2. On the same day, a guerrilla unit ambushed another military truck transporting [words indistinct] of the puppet army on km 39 of the Pan-American Highway between El Carmen and San Rafael Cedros, Cuscatlan Department. Three powerful Manuel Jose Arce mines were used in this ambush, which blew the truck off the road, crashing it into a wall, inflicting 27 casualties. The truck was completely destroyed.

The result of these two ambushes is 52 casualties and 2 trucks completely destroyed. The two ambushes were carried out despite the permanent check points by the [words indistinct] and the El Carmen civilian defense groups, who simply fired indiscriminately, killing a man of approximately 18 years, whose name and origin are unknown.

## Guatemala

**Cerezo on Army, URNG, World Bank Loans**  
*PA1612115488 Guatemala City LA HORA in Spanish 13 Dec 88 p 4*

[Text] President Vinicio Cerezo expressed his total support for the Guatemalan Army when he was questioned by newsmen after attending a ceremony to honor the country's best agricultural producers.

The president was asked why he has changed his attitude toward the military, as in the past he was known for constantly criticizing the Armed Forces. Cerezo replied that the Army had changed its attitude and that this had made him change his appraisal of the Army.

The president then referred to basic aspects that have changed in the Army. He said the Army is now a professional institution that supports democracy and the institutional process; thus, it deserves respect and support.

He also hinted that there had been a change in the military's thinking and that it now guarantees the nation's constitutional order.

Asked about alleged human rights violations in Guatemala and about the impact on international opinion of the terrible massacre of 22 peasants in El Aguacate, Chimaltenango Department, Cerezo replied that the Guatemalan Government continues to maintain the international prestige it gained in the past few years.

The Guatemalan democratic process enjoys a prestige that cannot be undermined by simple rumors or baseless accusations, he said. The government is working on several matters that will help guarantee that all citizens are given their full rights, he added.

On another subject, President Cerezo stated that the international community frowns upon the URNG and that this bad impression has deepened since the recent peasant massacre. He added that international organizations and institutions investigated this crime and were able to prove that the rebels were responsible. Survivors and relatives of victims confirmed this fact, he said.

Cerezo stated that the URNG is also discredited within the country as it is evident that—contrary to the government's desire for peace—the rebels, acting against the people's interest, look for war. This, the president said, is rejected by the population, which is tired of confrontation and wants to work and make progress in peace.

Asked about rumors of cabinet changes, the president replied that there were no changes planned at that level. He did say that Julio Santos—who is rumored to replace Presidential Public Relations Secretary Claudia Arenas—will be his adviser on human rights affairs.

Claudia Arenas confirmed what the president said and added that rumors or speculation usually surface at the end of each year, when people expect changes in the government team.

Cerezo went on to deny that there are problems with the World Bank, which recently sent top officials to Guatemala. On the contrary, he said, the World Bank has said it will assist our country's development and will not raise interest rates or impose restrictions of any kind.

The president added that the World Bank is willing to give Guatemala low-interest loans to support small- and medium-sized producers. It is also going to give some aid that will benefit Guatemala's development, Cerezo said.

**Authorities Arrest Colombian With Cocaine**  
*PA1712201688 Guatemala City EL GRAFICO*  
*in Spanish 15 Dec 88 p 3*

[Summary] Civil Protection System officers arrested 32-year-old Rodolfo Antonio Padilla, a Colombian citizen, at 2230 on 13 December after 2.908 kg of cocaine valued at 255,000 quetzals were found in his possession. Padilla was arrested at Guatemala City's La Aurora International Airport shortly after he arrived there aboard a Colombian airliner.

**Panama**

**Reportage on PRD Congress, Speeches, Comments**

**Espino Opens Congress**

*PA1612174988 Panama City Domestic Service*  
*in Spanish 1553 GMT 16 Sep 88*

[Speech by Darisnel Espino, secretary general of the Democratic Revolutionary Party, PRD, at the opening of the Third PRD Congress at the New Panama Gymnasium in Panama City—live]

[Excerpts] Good morning fellow members of the CEN [National Executive Committee], Comrade Berta [former CEN President Torrijos de Arosemena], international delegates, members of the Panamanian parties accompanying us, comrade delegates, friends, and fellow party members:

Under the eternal guidance of our Commander Torrijos, we gather today at this congress to regroup; to critically examine the path we have taken; to appraise the tasks the fatherland has given us; and to adopt, without hesitation, all measures necessary to guarantee the final triumph of our ideal: the full recovery of sovereignty in the year 2000. [passage omitted]

The national directorate we will choose today also signifies a step in the right direction of giving the Democratic Revolutionary Party [PRD] a directorate that truly signifies a profound revolution and a functioning internal democracy that embodies all the political experience, will, and intelligence of the entire structure and is capable of promoting the Torrijist project. The new directorate must become the most solid base upon which the leadership of the revolutionary process can rely. Our commander, Manuel Antonio Noriega, must not only count on the firmness and loyalty of his comrades in arms, he must also count on the militancy, unity, will, and political experience of the PRD and its leadership. [applause] This is so because the struggle has just begun, because the attacks are becoming increasingly more desperate and intense, and because our party will have a directorate that will be more and more capable of resolutely and skillfully waging the first political battle to guarantee that the leadership of the government and state will relentlessly continue on the Torrijist path until final victory.

Therefore, the new directorate will meet during the first half of January specifically to discuss the nomination regulations and to begin analyzing the electoral alliance plan. The congress will meet again in February to launch our presidential candidate to establish...[changes thought] We want to make known the figures we will support in the victorious effort to promote our predominant role in the nation's life. The electoral struggle will find us prepared, bold, and creative in seeking the future votes of Panamanians. With due preparation, we will organize the study of the electoral code in seminars

throughout the country so as to train our poll watchers and other representatives in the electoral bodies, as established by law. Next week we will begin touring to identify and consolidate the candidates as well as to work on winning the 1989 elections. [passage omitted]

Comrade President, I formally declare this congress open. Long live the PRD! [applause]

**Solis Palma Addresses Congress**

PA1612202688 Panama City Domestic Service  
in Spanish 1700 GMT 16 Dec 88

[Speech by Manuel Solis Palma, minister in charge of the Presidency, at the Third PRD Congress at the New Panama Gymnasium in Panama City—live]

[Text] Manuel Antonio Noriega, general and commander in chief of the Panama Defense Forces [FDP], and members of the FDP General Staff; [applause] honorable legislators; Honorable Legislator Celso Carrizo, president of the Legislative Assembly; Mr Carlos Duque, president of the Democratic Revolutionary Party [PRD]; former PRD presidents; PRD Vice President Dr Carlos Ozores Typaldo; PRD Secretary General Darinel Espino; Honorable Representative Gustavo Melgar, second undersecretary of the PRD; members of the PRD Political Commission; members of the PRD National Directorate; state ministers and deputy ministers; directors of decentralized state institutions; international and local delegates; local and international newsmen; invited guests; ladies and gentlemen:

I have been invited to greet all the members of this great party, which has an immense responsibility at this historic moment: defending Torrijism as the current and future basis of the Panamanian fatherland. [applause] But how can I limit myself to a mere greeting at such a crucial time for the Panamanian fatherland, as I face these revolutionaries who have changed the shape and future of the Panamanian fatherland? I apologize to the PRD president for this extended greeting, and I pledge my commitment as a Panamanian to you, the Panamanian revolutionaries. [applause]

I believe it would be redundant to say that we have suffered, that we are enduring the most ignominious aggression by the United States, and that we have been victims of, unfortunately, fellow Panamanians. [applause] But it is not redundant but our duty to say that this aggression is a direct aggression on the soul, spirit, and deep significance of the revolutionary process that you began in 1968 and that you cannot abandon under any circumstance. That process is above the interests of any person or any group. That process signifies the liberation of the poor, the neglected classes, the peasants, and those living far from the cities. This process has sought to provide a better education for the children of the poorer Panamanians, to grant more and better health services to the children of the poorer Panamanians, to provide electricity to all corners of the

Republic, to provide telephones, and to provide potable water not only for the city inhabitants but for the peasants and humble children of our country as well. That is what the process signifies, and it cannot be lost. That is why we must struggle forever with our soul and with our lives. [applause] The process is a social, mass concept, not an oligarchic concept of profits to be made by setting up a business.

This process created the post of corregimiento representatives, and these representatives are a genuine expression of every single segment of our community. [applause]

This process represents the creation of peasant settlements and state enterprises that defend the interests of the Panamanian peasants and the poor. It orients the country's development based on a social concept and not based on the interests of the cash registers of a few oligarchs in our country.

This process is the fatherland's road, a road established by Torrijos and broadened and fortified by Manuel Antonio Noriega. [applause]

This process is a clarification of the nationality concept in that it is a manifestation of Panamanian nationality. We are the victims of ferocious attacks from the United States because of the significance of this process. We are being victimized because of U.S. interests. We are also the victims of Panamanians who speak English and think like North Americans. [applause]

That is why they act as if formal democracy were such a high ideal. That is why they want to put an end to the FDP. That is why they want to eliminate the FDP commander, because the FDP led by Manuel Antonio Noriega are today the biggest obstacle to the desire to surrender the Panamanian fatherland.

Because they want to reach power to sell out the nation, they want us to face the next election with our hands and feet tied. Because they have not been able to finish off a commander made of iron despite all their attempts, they now want to wash us away through elections. You have the responsibility of winning, of defeating them not only through ideas but through votes, with the love of the people, with the united will of the Panamanian people.

That is why you are here. You are here not only to change your board of directors, but also to secure paths and establish new ones.

There cannot be a moment of rest because our nationality, our nation, our future, and our independence are at stake. We all have to be united in this work. Whoever is not united betrays the Panamanian fatherland, especially at this time in the Republic's history. [applause]

I believe that as president I must state that I do not feel uncomfortable with the FDP's power. I am not seeking its withdrawal, because civil power comes as a result of work; not by taking power away from those who have defended the Panamanian people and represent the vanguard of the people, the country, nationalism, and the Republic of Panama. [applause]

I do not feel any jealousy when homage, affection, or support are expressed to General Noriega. I do not feel jealous because he is of my class, because he struggles for what I struggle, and because he leads the FDP. Let him advance with the Panamanian people to defend the Panamanian fatherland. [applause]

The call for withdrawal is just a pretext to eliminate the vanguard of Panamanian nationality. There is no reason for a withdrawal. We have to march forward, and if we civilians really love the country, then let us stand by the military to defend together the Republic of Panama, which belongs to us, to the Panamanian people, to the poor. This is our mission, not to make calls for a withdrawal so there is no competition with politicians. Let us compete for the good of the nation. [shouting]

[Legislator] Lucho Gomez is flashing me a lot of signals asking me to register in the party.

[Crowd shouts: The president should register. The president should register.]

[Solis Palma] I thank you and am honored by the invitation. The act of registering is, in a certain sense, a formality, and I extend my congratulations and recognition to those who have done so. My registration, however, is in my soul, because that is where your revolution has registered. I am registered in your revolution and here, today, I commit myself to it. There are many groups who also have a responsibility to the fatherland because Torrijism [following the late General Omar Torrijos] is more than the PRD, it is Panama. [applause] What I can assure you of is that I will never be with any group that does not firmly defend Torrijism and the FDP, as it is the nation's vanguard at this time.

I do not want to take up so much of Carlos Duque's time as he is about to speak. However, I cannot end my speech before requesting, in a firm and resolute manner, that each and every one of you leave this place committed to working hard so that the revolution in this country triumphs and becomes permanent. There is too much at stake to lose a minute of our time in discussions and personal interests. We must give up everything in favor of the Panamanian fatherland. This is your responsibility. This is Torrijism. This is commitment. If you do so, I am sure, we will all be grateful.

I also cannot leave before saying that I am part of all of you because I have you in my soul, despite the fact that I did not start this revolution; I grieve for not having

started it, but I am happy to be here and not see the turncoats who betrayed the fundamental principles for which they claimed to fight.

[Crowd shouts: Omar Torrijos Herrera, present. Omar Torrijos Herrera, present now and always, now and always.]

Torrijism is honor and loyalty to the fatherland. Noriegaism [following General Manuel Antonio Noriega] is the same thing as it represents the future, the year 2000, and our fatherland's road. If you do not work, you will have betrayed the principles that have brought you here and you will have to respond for the lack of commitment in the future. I have faith in you. I am committed to you because it is my commitment to the fatherland. I extend warm greetings, and I reaffirm my permanent friendship and my commitment to the fatherland. Thank you. [applause] [Crowd shouts: As Omar Torrijos Herrera said: On our feet or dead, but never on our knees]

#### PRD President Speaks

PA1612232288 Panama City Domestic Service  
in Spanish 1723 GMT 16 Dec 88

[Speech by Carlos Duque, president of the Democratic Revolutionary Party, PRD, at the Third PRD Congress at the New Panama Gymnasium in Panama City—live]

[Text] Thank you fellow delegates, Your Excellency President Manuel Solis Palma, thank you very much. We have received your message with much appreciation. Commander General Manuel Antonio Noriega, receive the support and love of all the PRD. Long live General Noriega! Long live the general of dignity! [applause] Omar Torrijos, present; Edwin Fabrega, present; Ricardo Rodriguez, present; Antonio Yepes, present; Edwin, present; chieftain Santana, present [deceased former PRD leaders].

Greetings to the international delegates who honor us with their presence today. Accept a fraternal embrace from this party, which appreciates you and is very honored to have you here. This congress constitutes an extraordinary triumph of all our party members. It is being held amid serious problems and difficulties caused by the absurd policy of the Reagan administration toward Panama. The current situation, characterized by a persistent, rigid, and inhumane blockade against the Republic, is the result of decisions adopted in Washington, following the famous Santa Fe document. The appointments of Messrs [Arthur H.] Davis and [John F.] Maisto [U.S. ambassador and deputy chief of mission to Panama, respectively] were not conceived merely as regular administrative acts of U.S. diplomacy. On the contrary, those transfers—one from Paraguay and the other from the Philippines—were an initial step in the execution of the Panama plan. The idea was and continues to be to destroy the principal elements of the process, to do away with the solid alliance that exists between the

Panama Defense Forces [FDP] and the humble communities, to alienate the military sector from the rest of the people, on the pretext of a supposed withdrawal, conceived to confine the military to their garrisons so that the military would be as they were before 1968 when they were used to protect the interests of the family clans. Never before was such a plot so carefully planned.

In the United States, there were endless consultations with different sectors. Many meetings were held and all the necessary decisions were made to destabilize the country and to promote internal changes in their political and economic relations. Multiple contacts were made from the State Department with major U.S. newspapers, with television stations, with news agencies, and with private newsmen, and a monstrous disinformation campaign was mounted to isolate Panama and to knock it down so that it would never again get up. The underlying idea from the beginning was to teach General Noriega a lesson, to attack him personally and to make sure that a small nation would never again dare to reject the idea of extending the canal treaty and demand that its independence and sovereignty be respected.

In this case and at this point, the developments that the United States took advantage of to implement this plan are secondary. Weak men decided to choose the path of betrayal and of hooded hate-mongers and went out to scare the children with calls for destruction and disorder. Some of those who were on this side were unable to resist the temptation of interesting offers and changed sides, thinking that destiny had been sealed and it was not worth it to fight. Even a president fell into the conspiracy trap. After so many overwhelming developments, he continues to call himself president, while at the same time living under the umbrella of the empire, devoid of command and power, making use of money that belongs to the Panamanian people. [applause]

But the people decided to resist and they are still doing so with integrity and patriotism. They have withstood the effects of the open and direct aggression that is stubbornly being maintained.

We know the United States is not complying with the Torrijos-Carter treaties, prevents U.S. corporations from paying into Panama's treasury the income tax withheld from their employees, and pressures corporations into not investing in or lending to Panama. As a result, joblessness has increased to an alarming rate, there is a shortage of medicines in hospitals, state investments are paralyzed, and the population, as a result, has not received the benefits of better housing, health care, and cultural programs, as before.

In view of this, our honest PRD members have understood that they cannot heed the voices of those who tried to liquidate the process and who even demanded, requested, and pleaded for a U.S. armed intervention against our sacred territory. Quite the contrary, the people have remained steadfast and dignified. The good

ones never surrender when confronted with adverse circumstances, such as the ones we are experiencing. The country clings to its lofty dignity and adapts to the new circumstances. The people, who realize they are resisting for a higher ideal, will not be defeated and will emerge stronger from the struggle. This is presented today in a document distributed here and entitled "Liberation or Colony." This document explains the local situation with all its complexities. We are in this situation today, 16 December, 19 years after another political-military event—also inspired by the United States—definitively consolidated Omar Torrijos' leadership in the revolutionary process.

We are facing great tasks that will create tension within the entire party. The idea is to prepare ourselves for the coming election. We have heard many proposals in this regard. The United States arranged for several opposition parties to propose negotiations for establishing a provisional government that could call for elections at a later date. We totally reject this proposal because it is a virtual coup d'etat against our government and a total surrender to the conspirators who started the plot against the country.

Today I will reiterate the PRD's viewpoint. We will participate in the 1989 election. [applause]

[Crowd shouts: Who are these people? These people are PRD! Who are these people? These people are PRD! A single flag! A single territory! A single territory! A single flag! Omar Torrijos Herrera, present! Omar Torrijos Herrera, present! Now and forever! Now and forever! Long live General Noriega! Not a step backward! Not a step backward!] [Duque continues] To participate in the election as an organization, it is essential that we consider two important things that are based on the great structural foundation that led us to hold this great congress.

We must face the new commitments that stem from our decision to participate in the electoral process. We must carefully discuss the electoral code regulations so that all the PRD members become very familiar with the rules that will be applied during the elections. We will do that in January. We will meet with the new PRD party directorate to discuss and approve the new regulations for presidential nominations.

The putting together of the electoral code entailed an extraordinary amount of work and it is extremely important; it regulates the procedures through which we will nominate our candidates. These procedures must be clear, efficient, and swift. These procedures must contribute to our party's unity and must not cause party division or unnecessary resentments.

Obviously, all party members and especially those who aspire to become candidates must realize at this very moment that we cannot nominate them all and that on election day we must all support our candidates. [applause]

In addition, once the PRD Directorate approves the regulations for presidential nominations, we must proceed to choose our candidates in accordance with the norms and regulations previously approved by the PRD Directorate. We must also choose our representatives at all the polls that will be installed throughout the country. We will guarantee that there will be a PRD voting table representative at each voting table and that we will closely monitor the voting process in which the Panamanian people will participate.

The aforementioned statements mean that we will not be distracted by other issues. On election day we will be well-prepared to struggle at the polls as a popular and democratic party should.

We must clearly state our position so there is no doubt about it. We agree with the establishment of an electoral alliance. The country is experiencing very difficult times, and an alliance is needed to incorporate all the sectors that are jointly facing the current difficulties and that share aspirations for a permanent national liberation. In any alliance that we may join, however, we will present a very specific, clear, and precise program that will reflect national needs and our plans for the presidential term that begins in 1989. In that program, it is essential to point out what the government's position will be regarding the foreign debt problem, which is suffocating Latin America's public finances. That program must also include a general opinion on state enterprises. That program must clearly establish that the country's social laws that benefit the needy will not be changed at all. [applause]

In that program, we must commit ourselves to not negotiating an extension of the U.S. presence on our soil after 31 December 1999. [applause] [Unidentified person in audience shouts: Yankee animal! Another responds: Leave the canal! Both then shout in unison: Not one step backward!]

Furthermore, we insist that what is at stake here is the continuation or discontinuation of the Torrijist program of national liberation. That is what is at stake [applause] and that is something we will not abandon. Therefore, we must include all those who believe in these patriotic objectives in the elections, without excluding anybody for any reason.

The implicit lofty goals of the upcoming elections go beyond minor considerations. Now is the time to unite all forces advocating the decolonization process: new political parties, revolutionary parties, peasant settlements, and labor organizations. All of them must combine in a common front for the consolidation of nationalism, sovereignty, and liberty. There should be no doubt whatsoever: We will respect alliances—we will respect alliances because when the PRD gives its word, it honors it. [applause]

When the PRD makes a political commitment, it respects it to the end. The presidential candidate nominated by our party must be a person deeply committed to the Panamanian people's liberation struggle. This person cannot by any means lack a history of struggle—a history of struggle [applause] for sovereignty and against oppression and interventionism. This must be someone who will not agree to tenuous compromises when the moment of truth arrives. That will be our candidate! [applause] [Crowd chants: Torrijist president!]

Someone who can stand as a guide for the Panamanian people; someone tested in the political and social battlefields for having defended the nation's integrity. Only in this way will we be able to guarantee victory, because the people will not accept uncommitted or lackluster people. [applause; crowd chants: Noriega!] Only in this way will we guarantee victory, because we will not allow... [changes thought] We do not see how the PRD and its alliance can lose. We have won before. [applause]

We will nominate our candidate during the 1st week of February at an extraordinary congress that will rock the nation's political foundations. [applause] [Crowd shouts: A united PRD will never be defeated!]

PRD militants and special guests, the political tasks that I have just mentioned must be implemented in accordance with our nationalistic and democratic position. Our party places great importance on the fact that the U.S. Administration will soon be changing hands.

For us, direct dialogue between Panama and the United States should always be an adequate process for the satisfactory resolution of any difficulty. The PRD sincerely hopes that the new U.S. Administration will have a better and broader understanding of the Panamanian reality and that it will not commit the incredible errors of the present administration in its relations with Panama. We will always be willing to hold a fruitful dialogue under the sole condition that our sovereignty and the universal principle of nonintervention in the internal affairs of other states be respected. [applause]

Gentlemen, it is time for the U.S. Government to understand that political, military, or diplomatic intervention is not effective when dealing with a dignified country with a desire for freedom, no matter how small it is. Introducing elements that distort the national reality to achieve changes in the overall political relations or to achieve the replacement of civilian and military leaders can only cause problems and disrupt the relations between the two countries.

The United States must recognize that harmonious relations are a thousand times preferable to constant confrontation. For this the United States must forget about trying to determine who can and who cannot rule in Panama. [applause]

It must forget its aspirations to determine what kind of democracy the Panamanians need. I repeat: It must forget its aspirations to determine what kind of democracy the Panamanians need. It must forget its desire—sometimes overt, sometimes covert—to remain in Panama after 31 December 1999. [applause]

On the other hand, we must insist that the joint efforts being made for the creation of common fronts of struggle are today more important than ever. Clearly, we must prepare for the elections. That is what we are doing and today's congress is proof of that.

However, this political circumstance must not let us forget that we are still under attack. We are still being threatened militarily. We are still being denied our economic rights. Dark clouds are still hanging over the sovereign integrity of the country. Therefore, today we reaffirm that unity is absolutely indispensable. Unity is indispensable. We believe that we must remain firm without permitting the virus of sedition to spread among us. This is not the time for disputes and conflicts among the forces that support the project of liberation. [applause and chants: Unity]

Therefore, we are appealing to all sectors and all political parties to take into consideration the seriousness of the moment we are living. The enemy lurks. The enemy is the empire that wants to drown our shouts for independence and freedom. That is what we must stress. Attacking the PRD does not help to strengthen the national struggle. [applause]

Therefore, we make a fervent appeal to all political sectors with patriotic convictions to maintain a serene analytical approach in defending the country. The demands of the moment do not permit other alternatives. The homeland is in danger and only unity will permit us to fulfill the historic mission of our slogan: A single territory, a single flag. [applause and chants: Recognize the traitors!]

In addition, we have a special concept of democracy, according to which we must place more emphasis on access to the decisionmaking mechanisms for the poorest economic and social sectors; in the final analysis, they are in the majority. That is our democracy.

We want to say to the international visitors here today that as a social and democratic organization we believe in the consolidation of democracy in Latin America and welcome this refreshing trend that has allowed some of our friends to have reached the highest posts in their countries.

We only deplore that the international organizations concerned with the economic and financial issues in our region insist on [using] unsatisfactory formulas for dealing with the debt issue and development problems, and thus endanger the stability of democracy in Latin America. We hope you can understand that we are indeed

being brutally attacked, and that your militant solidarity is necessary and beneficial for these people who have made sacrifices to maintain national dignity.

In Panama we are not waging a battle just by ourselves. There are too many principles involved here concerned with international relations to permit indifference: the way in which the intervention has taken place without reservations; the violation of the Vienna Convention on Diplomatic Relations; the daily violations of the Panama Canal Torrijos-Carter treaties; and the arbitrary withholding of Panamanian Government funds at U.S. banks, taking advantage of the fact that our currency has always been the dollar. All these instances tell us that peaceful coexistence is truly in danger and that we all must seek reconciliation and Latin American integration to face this policy together, a policy that endangers regional stability.

PRD delegates from Bocas del Toro, Coclé delegates [applause] Colon delegates, [applause], Chiriquí delegates [applause], Darién delegates [applause], Herrera delegates [applause], Los Santos delegates [applause], west Panama delegates [applause], Veraguas delegates [applause], Panama City area delegates [applause], San Miguelito delegates [applause], east Panama delegates [applause], San Blas delegates, delegates from the gulf area, and companeros from the various fronts, especially, very especially, the PRD women [applause], the courageous, noble, loyal, devoted, PRD women to whom we promise we will give greater responsibilities in the party [applause] and to whom we will give even greater representation each day because of their very valuable contributions and because of their great capacity for struggle. Today, I want to recognize the value of the PRD women. Long live PRD women! [applause].

To all of you: Let us continue in this great battlefield until we attain victory.

To those who believe we are washed up: Wake up! Wake up from that dream. When this machine starts rolling there will be no stopping it! [applause] We have the responsibility to keep power to complete our task of national liberation. [applause]

There is no political solution without the PRD. [applause] There are no social solutions without the PRD. There is no peace without the PRD! [applause]

Omar! Omar! Wherever you are watching us from, we tell you: Here is your party. Here are the people you put in charge to continue the struggle. We have picked up the flag and we will not take one step backward. Thank you. [Crowd shouts: Not one step backward!]

**Duque on Noriega Nomination**

PA1612201488 Panama City Domestic Service  
in Spanish 1819 GMT 16 Dec 88

[Interview with Carlos Duque, president of the Democratic Revolutionary Party, with unidentified reporters at the New Panama Gymnasium in Panama City—live; broadcast in progress]

[Text] [Duque] ...contractual reforms should be made when forming electoral alliances, because alliances are both electoral and political in nature. I am thus addressing all political parties, including the Labor Party—PALA—which came in second in the 1984 elections and whose value I acknowledge. I believe in unity, I believe we should form a common front, and I believe we should form a broad alliance that will include not only the political parties but all the popular fronts, unions, and organized groups.

[Reporter] The PALA, however, questions the PRD for claiming most of the political legroom and also questions the structure of such an alliance.

[Duque] All I can say in that regard is that I am unaware of all the details of the 1984 alliance, but I do acknowledge PALA's value and its contribution to past elections. That is why, I repeat, we must sit down together and establish the bases for a new alliance.

[Reporter] There is a great deal of skepticism over the PRD's choosing a presidential candidate from among its members. Why wait until February?

[Duque] Because according to the statutes, we have until 7 February to do so. A directorate must be formed, which in turn will schedule a nominating congress for the purpose of organizing. I believe that to participate in an election one must be prepared and organized. This is exactly what we are doing. Before we can nominate anyone we must organize the party's structure. I hope to accomplish these steps right up until 7 February, when we will make our nominations. I have no doubt that within the party there are a number of very worthy individuals who can aspire to the presidency.

[Reporter] This morning, the PRD's possible nomination of General Noriega was noted. What is your opinion of this?

[Duque] To be president, one must be Panamanian by birth and be 35 years old. Under the present circumstances, however, a presidential candidate, a worthy candidate, must be a man who has struggled for sovereignty. We are committed to completing General Torrijos' original plan: the national liberation plan, the plan for total sovereignty. Gen Noriega, like any other Panamanian citizen, has the right to vie for the presidency.

[Reporter] Then you are not dismissing the possibility of his nomination?

[Duque] I am not dismissing the possibility that the party's 200,000 members can hope for the nomination.

**Foreign Ministry on U.S. Withdrawal Plans**

PA1812193188 Panama City LA REPUBLICA  
DOMINICAL in Spanish 18 Dec 88 pp 1-A, 10-A

[Text of communique issued by the Foreign Ministry in Panama on 15 December]

[Text] The Panamanian Foreign Ministry warns citizens that the Panamanian Government has not yet received any communication [from the U.S. Government] regarding the U.S. announcement of its decision to initiate the process of dismantling U.S. military installations in our country. The Republic of Panama, which is an interested party, has not even been consulted on the matter. Therefore, it is necessary to assess the published reports on the [U.S.] Southern Command communique that was issued in this regard.

The Foreign Ministry has closely observed the way in which the U.S. Department of State has been preparing the unilateral argument whereby the neutrality pact would allow a limited U.S. military presence in Panama after 31 December 1999. This argument is totally false. This intention, which goes beyond the norms of international behavior, is without precedent or possible justification.

In December 1987, General David S. Parker (retired) published an article in the ARMED FORCES JOURNAL in which he presented the deceptive view that the Panama Canal is no longer crucial to U.S. security. This is how he presented the first argument:

"The two nations would benefit after 1999 if the United States kept a low-profile presence around the U.S. Howard Air Force Base for air operations, with a small base for a U.S. Army combined task force in the same area, and the provisions to continue resupplying the Rodman Naval Base. Panama could see its international standing enhanced instead of diminished if it sponsored a visible relationship with the United States, especially with the Southern Command. This association would serve to keep Panama from sliding into obscurity, something which is a possibility with a total U.S. withdrawal. It would also be in accordance with the dispositions of the neutrality pact."

"This relationship should and may be created in a climate of hemispheric cooperation, since the Panama Canal cannot be viewed in an isolated manner. It would seem that the OAS and the Rio pact would afford the opportunities for more formal multilateral discussions and agreements than the means that the U.S. Administration has been using so far, not only for the Panama Canal but also for the other areas of national strategic interest in Central America, the Caribbean, and South America."

Article V of the Treaty Concerning the Permanent Neutrality and the Operation of the Panama Canal reads as follows:

Article V. "After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the canal and maintain military forces, defense sites, and military installations within its national territory."

Despite the unmistakable clarity of this statement, on 22 April 1988, Command General Fred W. Woerner, chief of the U.S. Southern Command, made the following statement to the Subcommittee on Foreign Operations of the Appropriations Committee of the U.S. House of Representatives: "Since the disposition of the existing treaties assign responsibilities to the United States and Panama regarding the canal's neutrality beyond that date (1999), it would be wise to provide security assistance to help professionalize the Panama Defense Forces (FDP) and to modernize potentially useful installations while we comply with our neutrality obligations."

"Therefore, we must not foster the idea there will be no military interests in Panama at all after 1999. At the very least the Milcon investments, programmed at the Howard Air Force Base, the Rodman Naval Base, and in Fort Kobbe, which will be the last to be handed over, will continue to serve U.S. interests for many years."

In the chapter on "Low-Intensity Conflict," in the August 1988 document known as Santa Fe II, in the part related to Panama, Messrs L. Francis Bouche, Roger Fontaine, David C. Jordan, and Lieutenant General Gordon Summer Jr, advisers to President Reagan, proposed:

"After 1990, as soon as a democratic regime is installed, the United States and Panama must begin to seriously plan the proper administration of the canal, as the canal will soon require far-reaching and costly repairs and upgrades. Likewise, discussions on a realistic defense of the canal beyond the year 2000 must begin. Those talks must include allowing the United States to retain limited military installations in Panama (chiefly the Howard Air Force Base and the Rodman Naval Base) so that the projection of force will be adequate throughout the entire Western Hemisphere."

The above clearly demonstrates the manifest, open, public, and unmistakable [U.S. Government] intention not to fulfill the commitments contained in Article V of the neutrality treaty, which the national government has denounced as one of the main reasons for the economic aggression and threats regarding the use of force against Panama. The neutral and peace-keeping position of the Panama Defense Forces [FDP] in its demands that the Torrijos-Carter treaties be fulfilled has also been clearly demonstrated. The U.S. Government then put into play a new propaganda model against the Panamanian military commands that were opposed to this strategy of continental domination.

The gravity of the U.S. actions is greater and more obvious in light of the concepts contained in the report by the Ikke commission entitled "Discriminate Deterrence," on the strategy to be followed by the United States over the next 20 years. For example:

"Our means must include: Security assistance at a higher level and fewer legislative restrictions that inhibit its effectiveness."

"Allies that will help us defend common interests beyond the borders of the alliance."

"In special cases, U.S. aid to anticommunist insurgents who are resisting a hostile regime imposed from abroad or a regime that threatens its neighbors."

"The United States must work with its Third World allies to develop cooperative forces."

"Some allies have substantial reasons to unite in a program of cooperative forces to pursue mutual interests in open societies and to check or recover Soviet advances in the Third World. They hope to be able to improve their own military capacity and, perhaps, their regional, political, and economic influence in the process. We hope to develop some mobile forces that would be ready to go into action in certain regions, or even outside of them, similar to the models in the Republic of Korea or the Philippines task force that aided the United States in Vietnam."

As for the document that has been publicized and distributed as a "Southern Command communique," paragraph three states: "After 1999, unless the United States and Panama agree to the contrary, only Panama would maintain military forces, defense sites, and installations within its territory."

Despite the document's contradictions and the poor quality of the Spanish translation, it is obvious that the use of the conditional "would maintain"—instead of "will maintain" in Article V of the neutrality treaty—is not accidental and was not written in this way due to stylistic considerations. This makes it obvious that they are determined not to recognize the dispositions of Article V as an irreversible obligation. Regarding the careless drafting of the document, it is difficult to see why line two refers to a "Panama Canal Treaty of 1988" when there is no 1988 treaty, unless it is a new agreement on military bases signed by a ghost president from his sheltered hideaway on one of the existing military bases—a ghost president who does not exist for any other government except the United States.

The Southern Command communique, nonetheless, makes a positive contribution to Panama's national liberation cause because it openly admits its strategic military advance, with functions and responsibilities at the continental level that were never considered in the

Torrijos-Carter Treaties and that constitute a pivotal offensive power ready to mobilize against any country in Latin America and the Caribbean.

In announcing a preliminary plan to dismantle U.S. military bases in Panama, the communique states that the treaty requirements "do not imply the end of the U.S. Southern Command." It adds that the "Southern Command will continue as a unified regional command with the regional representatives it has had for many years. The communique concluded by announcing that "the United States will continue to uphold its decision to support the neutrality and operation of the Panama Canal, in addition to the security interests of the countries of the region and of the United States."

This is a shameful example of the magical semantics of U.S. foreign policy that Ambassador Vernon Walters defined as "constructive ambiguity," which really signifies the interpretation of international law based on force to impose a criterion interpreted arbitrarily.

The Foreign Ministry will send a copy of this communique defining the national government's position to all the foreign ministries of America, the countries of the Nonaligned Movement, the European Community, and to all signatory countries of the neutrality treaty with the purpose of denouncing this U.S. attempt to compare the content of the neutrality treaty and the word neutrality to a unilateral concept of national security of the United States and to its strategy of continental domination.

[Issued in] Panama, 15 December 1988

**U.S. Embassy Accused of Inciting Violence**  
PA1812142888 Panama City LA REPUBLICA  
DOMINICAL in Spanish 18 Dec 88 p 1-A

[Article by unidentified "roving correspondent" under front-page banner headline: "In Panama and Colon, U.S. Embassy Paying To Incite Unrest Tomorrow"]

[Text] This newspaper has learned that the U.S. Embassy has been handing out money to incite violent disturbances in Panama and Colon. The disturbances are to begin tomorrow, Monday, 19 December.

This is part of a greater plan that the U.S. Embassy is implementing. Moreover, it is a sign of the despair prevailing at that mission as a result of the failure of their terrorist actions in our country.

They are using high school and university students as well as former employees of the IRHE [Institute of Hydraulic Resources and Electrification] for this new escalation.

Over 100,000 balboas are being spent to finance these operations. The money has been handed out to persons in charge of inciting the masses to street violence and unrest.

This is how U.S. Ambassador [Arthur H.] Davis and Deputy Chief of Mission John Maisto are attempting to create a climate of chaos and violence to disturb the country's domestic tranquility. This is taking place just at a time when the Panamanian people are getting ready to celebrate the birth of Baby Jesus with joy and tranquility.

**Media Reports Remarks by U.S. Ambassador Davis**

PA1712035588 [Editorial Report] Panama City MEDIODIA in Spanish on 15 December on pages 1 and 7 carries an unattributed report on a speech by U.S. Ambassador Arthur Davis at the U.S. Chamber of Commerce. The headline on page 1 reads: "He Spoke Too Much Again. A. Davis Resigned." A caption under the picture of Ambassador Davis reads: "...continues sticking his nose where he shouldn't." The report on Ambassador Davis' remarks explains that he tendered his resignation to President-elect George Bush in accordance with U.S. protocol for all ambassadors. The report adds that Ambassador Davis, "whom the Panamanian Government has declared persona non grata, will remain in the country until late 1989." On the subject of the Panamanian elections, Ambassador Davis is quoted as saying his country "will accept any government elected by the Panamanians, so long as the electoral process allows the fair participation of all political sectors."

Ambassador Davis is later cited as saying his government acknowledges that its economic sanctions against Panama "aggravated the crisis, but he said the sanctions did not cause the crisis." In conclusion, the article says Ambassador Davis commented that "President-elect Bush will be unwilling to lift the pressure on Panama to produce changes in the country."

MEDIODIA's 16 December edition carries a headline on page one that reads: "Davis Would Like Treaties Like the U.S. Treaties With Spain and the Philippines." An unattributed article on page 2 cites the U.S. envoy as "repeating" to local and foreign newsmen that the United States is prepared to "withdraw its soldiers of the Southern Command" in compliance with the Torrijos-Carter treaties. The article adds that Ambassador Davis "hinted" to newsmen the possibility of negotiating a new agreement similar to those signed with Spain and the Philippines, which would "allow U.S. bases to remain beyond the year 2000." According to the article, Ambassador Davis said: "After the year 2000, we have no right to be in Panama for military purposes. However, the Panamanian Government could tell us: We want the U.S. Air Force or Navy here, and charge us for that right."

On this subject, LA ESTRELLA DE PANAMA on 16 December on pages 1-A and 8-C carries AP and DPA dispatches with reports on Ambassador Davis' comments. The newspaper precedes these dispatches with the following statement: "We are publishing below AP

and DPA dispatches on U.S. Ambassador Davis' speech at the U.S. Chamber of Commerce and the Panamanian Chamber of Commerce on 14 December."

#### Ritter Comments

PA1712042388 Panama City Telemetro Television in Spanish 2300 GMT 16 Dec 88

[Text] Panamanian Foreign Minister Jorge Ritter this morning responded to statements made by U.S. Ambassador Arthur Davis to the effect that the new administration headed by George Bush will continue to exert political and economic pressure on Panama.

[Begin recording] On one occasion, I pointed this out when he said a few weeks ago that there would be dramatic changes within a week. That evidently turned out to be a false claim. He has been deceiving opposition parties and trying to deceive the Panamanian people. He has been violating international laws and abusing and defying the patience of the Panamanians.

I do not wish to earn notoriety for him by commenting on his personal opinions and statements. I believe time will tell what new course U.S. policy will take, but I do not believe that the statements of Ambassador Davis, either in his capacity as ambassador or otherwise—deserve comment from us. [end recording]

#### Termed 'Provocations'

PA1712201288 [Editorial Report] Panama City LA ESTRELLA DE PANAMA in Spanish on 17 December on page 1 carries a 250-word unattributed article under the headline: "Noriega Was Right: U.S. Intentions to Stay After the Year 2000 Revealed."

The article states that U.S. Ambassador Arthur Davis, "the most impertinent and arrogant ambassador the United States has sent to Panama since the United States imposed the Hay-Bunau Varilla Treaty on us, continues to harass the country with provocations intended, if not to cause an action that will justify a U.S. armed intervention, at least to achieve the revocation of the Torrijos-Carter treaties.

"The latest action by Mr Davis, who acts and proceeds as if Panama were a fiefdom under his administration, is firm proof of what General Manuel Antonio Noriega has said on several occasions: The United States wants to remain in Panama after the year 2000, in violation of the pacts it has made."

Continuing, the article states: "To demonstrate the foregoing, we publish below a DPA report in which Mr Davis high-handedly declares that 'Panama, if it wishes, can

sign a treaty permitting the U.S. military bases to remain after the year 2000 and charging a lease for this, as the Philippines and Spain have done."

The article concludes: "One has to ask: If these U.S. representatives are full of such goodwill, why don't they pay the lease on the bases now and stop provoking Panamanians with their systematic violations of the treaties?"

The article is followed by a 250-word DPA report on the U.S. ambassador's statements.

#### Paper Assails 'Insolent' Ambassador Davis

PA1812154088 Panama City LA REPUBLICA DOMINICAL in Spanish 18 Dec 88 pp 1-A, 10-A

[Text] U.S. Ambassador in Panama Arthur Davis and his daughter Susan officially hold the status of personae non gratae. This means they do not represent anyone and are not accredited before Panama's national government headed by President Manuel Solis Palma.

Davis' most recent actions have prompted a series of reactions from all of the country's nationalist groups. These groups agree that Davis is the most insolent and impertinent U.S. ambassador ever to come to our country.

Davis constantly mingles with the country's oligarchs. Moreover, he is generally drunk. His romance with Beatriz "Tichi" Valdez, who poses as a society page columnist, is a major scandal everywhere.

The disrespectful Arthur Davis goes from one scandal to another. A Colombian woman once sued him for not keeping his word and at the same time impugned his manhood.

This individual goes to all the aristocrats' parties. He shamelessly touches the ladies' behinds, claiming he does it to improve his luck.

Society totally rejects Arthur Davis and his daughter Susan. Since their arrival in Panama, they have been meddling in the internal affairs of the country. They are the sponsors of all the acts of terrorism against our authorities and people. [Accompanying this article on page one is a photo of Susan Davis and a cartoon depicting U.S. Ambassador Davis with a bottle of "gringo punch whiskey" in one hand and the leash of a ferocious looking pit bull in the other. The dog is wearing a combat helmet on which the initials "USA" are inscribed. The caricature of Davis is sloppily dressed with drops of whiskey dripping from his lips. A caption above the cartoon reads: "Davis' Drunken Sprees." A note at the bottom indicates that the cartoon was taken from EL BAYANO, a leftist Panamanian biweekly newspaper]

## Argentina

### **Alfonsin To Dedicate Nuclear Plant in Peru** *PY1912110388 Buenos Aires TELAM in Spanish* 1111 GMT 19 Dec 88

[Text] Buenos Aires, 19 Dec (TELAM)—Argentine President Raul Alfonsin left shortly before 0800 today for Peru where he will dedicate the Huarangal Nuclear Plant, which was designed and built by the Argentine CNEA.

Before departing from Ezeiza International Airport, President Alfonsin said that the construction of the Huarangal plant has allowed Argentina to export technology. He said that this is very important for the country and for the CNEA.

Alfonsin said that the project was an example of South-South cooperation, and of the technological integration that we Latin Americans must develop if we are to strengthen the principle of peace-oriented development. The president also acknowledged that in this field, Argentina is working with other countries.

Asked about the current energy crisis that is plaguing Argentina, Alfonsin said that we are all worried about this because we have all been affected by it.

He said: You can walk across the Uruguay River, we are experiencing the worst drought in the last 50 years, the Atucha Nuclear Power Plant is still struggling with unresolved problems, and at the same time the water level at El Chocón Dam has fallen by 5 meters. Alfonsin remarked that this combination of problems could hardly have been foreseen.

### **Foreign Minister Comments on Geneva UN Session** *PY1612205888 Buenos Aires TELAM in Spanish* 1944 GMT 16 Dec 88

[Text] Buenos Aires, 16 Dec (TELAM)—Argentine Foreign Minister Dante Caputo has said the dialogue he held this week with Crispin Tickell, British representative to the United Nations, was of an exploratory nature, and he asserted: We are all aware of the difficulties of the problems involved in starting a dialogue between the two countries, since the dispute over the Malvinas Islands is at the very core of the problem.

Caputo, who has returned from Geneva, Switzerland, where he presided over the UN General Assembly, made this statement when asked about the subjects discussed during the meeting. In this regard, he told journalists at Ezeiza Airport that he held the meeting with Tickell in his capacity as president of the UN General Assembly.

He added: I am obviously the Argentine foreign minister. We discussed issues concerning the United Nations, but subjects of mutual interest, for want of a better expression, were also raised.

Caputo said he considered it convenient and useful to explore the chances and possibilities for the future, and he noted that this move should be done prudently—should be made carefully—because no problem is resolved in a day, and we must maintain the principles and political line we have upheld in past years.

He told journalists: You will understand why I am handling this issue secretly, but I really believe, God willing, that all of this will be useful. Caputo added that by being cautious he is not trying to conceal anything or keep any secrets, but merely to act in a prudent manner, which must be understood by everyone.

Regarding the Malvinas he explained that our position is always the same, and he asserted: We continue to defend our interests absolutely under the same line you all know, but in order to overcome difficulties and decide how to tackle a subject as difficult as this one, one needs to act cautiously.

When asked about the possibility of an official contact in the near future between the Argentine and British Governments over the Malvinas Islands, Caputo answered that he was going to stick to what he just said.

Asked about the international repercussions of the incidents within the Armed Forces in early December, Caputo noted the solidarity expressed by all the countries of the world and the support expressed for Argentine democracy, but added that these incidents have their international cost.

However, he added that in addition to this cost there is the concept of an Argentina that defends its institutions, that strives to live in the type of society that we are all building.

Caputo added that the international response in view of the developments was very active and similar to that in 1987, referring to the Easter Week incident that year.

The foreign minister added: I think the response was prompt and universal, and it took place at all levels. That is, the response came from foreign governments, political parties, and even the private sector. Therefore, Argentine democracy must be defended by all Argentines, although we have the support of very strong allies.

When asked his opinion on the beginning of talks between U.S. and Palestinian representatives regarding the situation in the Middle East, Caputo maintained that it is very important.

Caputo noted how deep the disagreement between these two parties is, adding: We went to Geneva because the United States refused to grant Yasir 'Arafat a visa, but 6 or 7 days later it announced its decision to start a dialogue with the PLO leader. Caputo added: How daring, what flexibility, what courage the two parties revealed in doing such a thing without abandoning their

respective beliefs, without giving up what the Palestinians and the Americans believe. These are political events that allow changes, that allow progress.

He added that Argentines should learn a lesson from these daring actions that exist in the world, and he added: The same position is defended, but at the same time a chance is taken with daring and courage. What happened at the United Nations is very important. The United Nations many times has been regarded as a forum for rhetoric, where a lot is said and little done. However, many things have happened this year. What just happened in Geneva is really impressive.

**Defense Minister on Responsibility of Military**  
PY1712181588 Buenos Aires NOTICIAS  
ARGENTINAS in Spanish 1310 GMT 17 Dec 88

[Text] Buenos Aires, 17 Dec (TELAM)—Defense Minister Horacio Jaunarena today said that not only does the military's right to carry arms give them no special privileges, but "it demands stricter compliance with discipline and with the law."

He added that "only if we can consolidate our present situation into a sound and solid foundation can we think of building our future."

"Like a ghost that is lying in wait for society, the military-political dichotomy has once again appeared in Argentina—a dichotomy that we believed had already been overcome or was in the process of being overcome," he added.

In this regard he said: "No good Argentine wants this nonproductive confrontation," which is why "it is necessary to end this period of mutual rejection and mutual ignorance," because "our society is going through a crisis that must be overcome on the basis of unity."

Jaunarena made these remarks during a ceremony at which graduated officers of the three branches of the Armed Forces received their sabers at the military school. The ceremony was attended by President Raul Alfonsin.

The minister said that "after many distressing situations, we have reached maturity and have learned that no sector of power, institution, or corporation, no matter how important or honorable, can by itself solve the problems that affect our country."

He stressed that the right granted to young officers as of today, "to carry arms and to have a rank has been granted to you in order to defend those who do not carry arms."

"Not only does this circumstance give you no special privileges, it demands stricter compliance with discipline and with the law," he stressed.

Jaunarena said that "the coups which we have experienced have not been the exclusive responsibility of the military; coups have also involved political leaders, institutions, and corporations that were eager to receive benefits and to establish systems that could allegedly rescue a set of vague traditions that were disregarded."

He added that "through their frequent intervention in political life, the Armed Forces could not avoid internal division, which has had traumatic consequences and which has distorted its mission."

He maintained, however, that "the republican democracy has neither defined nor designed a self-preservation mechanism for times of crises."

Jaunarena said that "the Armed Forces were compelled to militarily confrontation with [words indistinct] coexistence, without the necessary training for this emergency," in view of the politicians' lack of reaction "toward the scourge that hit Argentina as of the end of the 1960's."

He maintained that most of the struggle was waged outside of the framework of constitutional governments; consequently, the political legitimacy and the legality of a necessary struggle has been questioned.

He said, "The situation was overcome, but reproach could not be prevented."

Jaunarena admitted that "all of us made mistakes," and wondered "shall we continue to place all the blame on the other side without admitting our own responsibility, or shall we accept a situation that is obvious for all wise Argentines?"

He added, "The sense of honor, which is so dear to all those who have power, does not mean one boastfully declares that one is the owner of the truth, or that one will defend personal or institutional pride at any cost."

"To be an honorable man means to act with sufficient modesty to understand that the situation in which one has to be a leader is complex and has many facets," he added.

He stressed that "no one can seek [words indistinct] of an earthly God who can calculate [words indistinct] but also all of its consequences," because "honor does not go along with arrogance. Honor is the badge of those who are humble in their heart."

Jaunarena asked the young officers, "In what kind of country do we want to live?" He said that "the answer depends on you and on other factors that are difficult to predict."

"Yet it is true that no one can live an honorable life in a country without honor, isolated from the international community," he added.

"No one can disregard history without risking decay and death. No one can remain anchored in the conflicts of the past, because the immediate future is uncertain and unprecedented, and because a great effort will be necessary in order to identify the new hypotheses of conflict that the current easing of tensions between the superpowers will cause," he said.

The minister admitted that Argentina "has struggled for almost 60 years in search of a legitimate democracy," with a "society that has more expectations than perseverance, all of which has produced serious tension and crises in the search for our own identity and objectives."

Despite this, he said, "no force is stronger than freedom, which is God's greatest gift to mankind. Freedom has been given to man to build, among other things, social peace and a system of civilized coexistence in which conflicts, which are inherent to human nature, may be settled through just and stable rules."

Jaunarena concluded by calling upon the young officers, civilians, and the military "to seriously meditate, to admit our mistakes, to calm our passion, and to perform a balanced analysis among people who are equal, with an attitude that should be far from both arrogance and mediocrity, so that we may finally build the true image of our country."

**Army Chief of Staff Discusses Recent Rebellion**  
*PY1712172088 Buenos Aires DYN in Spanish*  
*2128 GMT 16 Dec 88*

[Text] Buenos Aires, 16 Dec (DYN)—Army Chief of Staff General Jose Caridi today said that the crisis provoked by the uprising led by Colonel Mohamed Ali Seineldin was caused by "reasons that are outside the Army," warning that such a situation might happen again if said issues "remain unresolved."

These reactions "will continue to occur within the Armed Forces, particularly within the Army," if the demands of the Armed Forces are not met. The military's main demand is the "end of the attacks of which they have been the target for a long time."

"This is the main factor that has impaired the morale" of the Armed Forces, he continued, emphasizing "the consequences of the antisubversive war, in which there are still pending matters, which must be given a favorable solution in the shortest possible time." He thus alluded to the trials of military men involved in the antisubversive war.

He added that the military demands also include the budget, which "severely restricts the development of the branches" of the national defense, and the salary issue, "which reflects a serious deterioration that must rapidly be compensated for."

In statements to a program aired by closed circuit channel three of Buenos Aires, Caridi stressed that, nevertheless, "the Army is rapidly recuperating and is making progress toward its complete normalcy" after the 2 December uprising.

Caridi denied that the constitutional system was jeopardized during the crisis, recalling that the first point "that we made clear" to Seineldin at the beginning of the negotiations to overcome the conflict, was that "there was no intention whatsoever of jeopardizing the republican and democratic system," and that "on the contrary, both of us agreed that it should be defended from any type of threat."

Caridi explained that during the meetings he held with the rebel leader, both agreed on the demands, which was why "the path that was chosen for posing the demands" became the only discrepancy between the rebels and the loyal troops.

He then said that the military demand that their "honor and dignity" be restored is "just," because the repressive action undertaken by the Armed Forces as of 1975 was a "war," adding that it is "absolutely unfair and contemptible to charge the Armed Forces with having committed genocide" during the antisubversive war.

Caridi recalled that during the war the Army, Navy, and Air Force took action "in compliance with their constitutional powers and on orders of the legally established authorities" of the government, which at that time was headed by former President Maria Estela Martinez de Peron.

He charged that the trials of those who were involved in subversion "are being handled in a totally different way" with respect to the trials of the military, all of which has produced "considerable resentment" in the Armed Forces.

"We respect justice," but "it is difficult to lead the forces and to keep them calm if there is such discrimination after the effort that was made to preserve the democratic system," he concluded.

**Demands Solutions to Problems**  
*PY1712161688 Buenos Aires NOTICIAS*  
*ARGENTINAS in Spanish 1010 GMT 17 Dec 88*

[Text] Buenos Aires, 17 Dec (NA)—Army Chief of Staff General Jose Dante Caridi has stressed that "as long as the demands of the Armed Forces are not resolved and continue without solutions," incidents such as the recent military revolt headed by Colonel Mohamed Ali Seineldin "will be repeated."

The military commander warned that there will be more uprisings if "a definitive solution" is not found for the motives that provoke them, such as "the matter of the war against subversion and the attacks of the media against the Armed Forces."

Caridi believes that "society's acknowledgement" of the actions of the Armed Forces is necessary to put a final end to this injustice, because [words indistinct] do nothing but recycle the hate and stop the country from progressing."

He also questioned the attacks "of the media," indicating that they are "absolutely unjust in accusing the military of genocide." He also condemned the Mothers of the Plaza de Mayo because "they are moved by political reasons and many of them do not have an authentic motive." He also slammed the political militants "who work in an organized fashion behind society's back." Caridi stressed that after Seineldin's rebellion "a new stage" has begun in the Army that will lead to "unity in seeking institutional objectives." He maintained that "some steps have been made in obtaining society's acknowledgement, but it has been done timidly," such as President Alfonsin's words to the effect that the antisubversive repression "was almost a war."

He admitted the possibility of retiring when he said: "I am remaining in this post to achieve certain objectives, and at this time they have been achieved."

Caridi defined the current Army situation as "delicate," although he made it clear "that it is quickly returning to normal" after Seineldin's rebellion, because "the administrative measures of the case are being adopted" that "will lead to total normalcy."

"What has happened in the Army is due to issues outside the service and as long as these issues are not resolved and continue without solutions being given to the demands of the Armed Forces, these incidents will continue," Caridi said referring to the recent military crisis.

In this respect, he urged for "a definitive solution" to "the causes that provoke" the successive uprisings, an opinion that he termed as a "conclusion" reached by the top echelon during its latest meetings.

He then outlined what he calls the "CPPPS" [expansion unknown]: "The attacks to which the Armed Forces are subjected: the consequences of the war against subversion in which there are still some unresolved issues, the budget, and low salaries."

In an extensive interview aired last night by Video Cable Channel 3, the Army commander said that "the Argentine nation [words indistinct] current state of democracy if the Armed Forces had not intervened in the war against subversion."

"I say it was a war, because in effect it was a special type of war, but it was a war that began during the term of a constitutional government with the appropriate decrees, and it was supported by the Argentine people," he added.

He stressed that "it is absolutely unjust to accuse the Armed Forces of genocide," and that during the last decade the military "had to find an answer to sneak attacks in some cases and to organized attacks such as those that occurred in Tucuman."

#### Acting Foreign Minister Meets Iranian Envoy

LD1712105888 Tehran IRNA in English  
1050 GMT 17 Dec 88

[Text] Tehran, 17 Dec, IRNA—Iranian Ambassador to Buenos Aires Mohammad Mehdi Pur-Mohammadi submitted a message of Foreign Minister 'Ali Akbar Velayati to the Argentine Acting Foreign Minister Suzana Cerrutti Friday.

During the meeting Cerrutti pledged her country's support for full implementation of the UN Security Council Resolution 598 stating that this was the only way to end Iran-Iraq hostilities.

Pur-Mohammadi referred to obstacles created by Iraq on the implementation of the resolution and explained Iran's stance in this respect.

#### Fishing Agreement With Bulgaria Not Extended

PY1612140988 Buenos Aires DYN in Spanish  
1050 GMT 16 Dec 88

[Text] Buenos Aires, 16 Dec (DYN)—Argentina decided not to extend its fishing agreement with Bulgaria for 1 year because that country did not fulfill all of the agreement due to economic reasons. The Argentine Government invited Bulgaria to study a new agreement but on a different basis.

The Argentine decision was conveyed to the Bulgarian Government 2 days ago through the Argentine Foreign Ministry after Fishing Under Secretary Luis Jaime's decision.

In the face of this decision the agreement with Bulgaria will terminate on 16 March 1989.

Argentina has a fishing agreement with the Soviet Union that has been automatically extended for 1 year despite the complaints by Justicialist provincial governments and business organizations.

**Government Concerned Over Human Rights March**  
*PY1612150188 Buenos Aires TELAM in Spanish*  
2328 GMT 14 Dec 88

[Text] Buenos Aires, 14 Dec (TELAM)—It was learned this afternoon that the Foreign Ministry has conveyed to the Paraguayan ambassador in Buenos Aires, the Argentine Government's concern over the violent events that took place in Asuncion on 10 December, during a human rights march. On that occasion the police arrested Argentine Deputy Jose Ramos (Justicialist Party—Entre Rios). He was later released and the Paraguayan Government closed the border with Argentina for several hours.

Sources close to the Foreign Ministry also reported that the Argentine ambassador in Asuncion, Raul Quijano, conveyed the Argentine solidarity to the people affected by the violence. He also conveyed to high officials of the Paraguayan Foreign and Interior Ministries the Argentine position on this event.

The same sources indicated that the Argentine Government negotiated the release of the people under arrest in an effort to ensure respect for individual guarantees and for the law.

The march in support of human rights, which was held on 10 December in Asuncion, was repressed by the Paraguayan police. Several people were arrested. The border with Argentina was closed until 1600 to prevent the arrival of delegations for the march.

**Aviation School Training Commander Installed**  
*PY1612025088 Buenos Aires Domestic Service*  
in Spanish 0100 GMT 16 Dec 88

[Summary] Air Force Chief of Staff Brigadier General Ernesto Crespo today installed Brigadier Luis Galindo as training commander during a ceremony held this morning at the military aviation school in Cordoba.

**Chile**

**Young Labor Leader Tortured, Killed in Cabildo**  
*PY1612192288 Santiago Radio Chilena Network*  
in Spanish 1600 GMT 16 Dec 88

[Text] San Felipe—The discovery of the dead body of a young labor leader on the access road to La Grupa Tunnel in Cabildo has mobilized the police and some church sectors because the incident is unusual.

According to the San Felipe Bishopric legal adviser office, the body of Wilson Valdebenitos Huica, 28, was found at 1000 yesterday. The incident was reported by Cabildo parish priest Raul Hoberbock, and sister Luisa Gueven who had been informed by the victim's relatives.

A police patrol arrived at the site during the morning to investigate. The body of the youth was found lying face up beside the road to Los Molinos and to La Grupa Tunnel in Cabildo.

The body showed signs of torture. The left hand was wrapped inside a coat and the right hand was tied with wire between the legs. Other wires around the waist indicated that he had been tied. The shirt had a hole burned near the stomach. Two meters away police found a brown hood, a metal flashlight, a hacksaw without a blade, and a gray sack.

The incident has caused commotion in El Cabildo because the youth helped in the pastoral activities of the local church. Only a week ago he was elected secretary of the newly formed Independent (Pirquireros) Union of el Cabildo.

La Ligua Judge Fernando Ramirez ordered the body to be taken first to the local morgue and then presumably to Quillota for an autopsy.

According to local sources, the police are investigating the case and will submit a report to the court.

**Interior Minister Issues Communique on Violence**  
*PY1612144788 Santiago Domestic Service in Spanish*  
0930 GMT 16 Dec 88

[Text] The PCCh, the MIR [Movement of the Revolutionary Left], and the Manuel Rodriguez Patriotic Front [FPMR], among others, are trying to create a general state of disorder, a disruption of the institutions, and a war among brothers. This statement is included in a communique issued by Interior Minister Carlos Caceres regarding the violent actions that have claimed victims and caused damage to private and public properties.

The communique also refers to the recent PCCh document which reaffirms its totalitarian behavior and its terrorist organizations. The PCCh document also admits that Marxist-Leninist groups, because of their ideological leanings, will not give up violence.

The Interior Minister's communique also calls upon all opposition sectors with democratic leanings to abide by the consequences of their remarks and commitments. He said that it is not acceptable that while on the one hand they condemn and reject the totalitarianism and violence, on the other hand they negotiate and make agreements with those same sectors.

The communique adds that in spite of terrorist violence, Chileans can rest assured that the government will continue to implement legal security measures to guarantee the lives and property of all inhabitants of the country.

Chileans must also assume their specific responsibilities and cooperate in the eradication of violence. The interior minister urges the people to reject and isolate those who promote, justify, or implement violent actions in all sectors, including in union policies.

The communique adds that Chileans must be granted security against actions by the communists and other Marxist sectors.

These communists and Marxists are trying to prevent the conclusion of the political transition and the establishment in Chile of full democracy.

**Merino Vows Harsher Measures Against Terrorists**  
*PY1712005988 Santiago Domestic Service in Spanish*  
*2200 GMT 16 Dec 88*

[Report from Valparaiso by Graciela Contreras]

[Text] Good afternoon. The antiterrorist law will be implemented and made harsher, said Navy Commander Admiral Toribio Merino today in Valparaiso. This was his response to questions related to the wave of terrorist attacks that has been sweeping through Santiago and rural areas lately.

At the end of the graduation ceremony at the Naval Staff College, the Navy commander and member of the Government Junta was asked about the wave of terrorist attacks. He said that he had answered this question a thousand times. He added: The humanoids do not understand the meaning of coexistence among human beings. They even kill each other enthusiastically. He recalled that the humanoids have killed 70 million Russians since they took over the Soviet Union in 1917.

Merino added: They may want to take over here too, using the same methods, but they will not succeed. He went on to say that the antiterrorist law will be implemented and made even harsher. This is the only solution; there just isn't any other. If they want to shoot it out, we will shoot it out.

Chilean Defense Minister Vice Admiral Patricio Carvajal was also asked about the terrorist onslaught. He answered that just as they had announced, the terrorists are trying to make violence and terror prevail in Chile with the support of the Communist Party. He emphasized, however, that they will not succeed.

[Begin Carvajal recording] It is very unfortunate to see this happening, but the police and the Armed Forces are taking the necessary measures to curb this [words indistinct]. The important thing, however, is that these outbursts should make the people think about the way they should vote next year. I believe there is an important lesson to be learned from all this. [end recording]

Minister Carvajal was reminded that the Catholic Church has just publicly repudiated Communist-sponsored violence. He stated that he believes the church is acting in keeping with its faith and in the preaching of the pope, that it is doing the right thing. I am glad the church has made a public statement on this subject, he said.

**Aylwin Denies Presidential Candidacy Wish**  
*PY1612221488 Santiago Radio Chilena Network*  
*in Spanish 1600 GMT 16 Dec 88*

[Excerpt] Christian Democratic Party (PDC) Chairman Patricio Aylwin has asked fellow party members who supported his appointment as presidential candidate to help find a solution to the PDC internal crisis without his participation.

Aylwin said he has never wanted to be a presidential candidate. He praised Eduardo Frei's and Gabriel Valdes' decision to give up being candidates for PDC chairman and said he hopes this attitude enables the PDC national board members to carry out their duties as party leaders without feeling committed to anyone.

[Begin Aylwin recording] I repeat that I have never wanted to become a presidential candidate. I have simply asked support for the political line adopted by the board that I head. I believe the board will now have to seek the best solution for the country and the party in a generous and unprejudiced manner.

I thank my fellow party members for the support most of them have given me. I call for their cooperation in finding the best solution for our country and our party, and I ask them to do it freely and without counting on me. [end recording]

Aylwin regretted the irresponsible manner in which the PDC elections were reported and added that most of the alleged electoral fraud charges were distorted.

Aylwin said the PDC internal elections were legitimate and that any abnormality must be checked by the party courts and controlled by the national PDC controlling board. [passage omitted]

**Opposition Proposes Constitutional Amendments**  
*PY1612210188 Santiago Domestic Service in Spanish*  
*0930 GMT 16 Dec 88*

[Text] Opposition spokesman Patricio Aylwin during the past few hours reported that the coalition of political parties and groups which he heads has agreed on six constitutional amendments. Details of these will be released within the next few hours. He said the text of the proposal will be submitted for government consideration.

At the conclusion of the meeting of the opposition coalition, Aylwin stated that the amendments proposed include the abolishment of the old Chapter 8 and the issuance of a new one, the composition of the Congress, and the manner of electing congressmen. The proposals also concern the composition of the National Security Council, the fact that the commanders in chief of the Armed Forces and Carabineros cannot be removed, and the fact that social leaders cannot participate in political activities or join political parties.

Aylwin added that two commissions of the opposition coalition had prepared the six constitutional amendment proposals, which they consider a minimum stand to carry on the transition to democracy.

In answer to a question, Aylwin did not discard the possibility of discussing this matter with the National Renewal Party, which has presented another proposal. Aylwin said there are similarities between the two proposals.

Aylwin added that the Christian Democratic Party [PDC] conflict was not discussed at the meeting of the opposition coalition. This conflict reportedly delayed the decisions of the coalition. He said the newspapers have exaggerated the delay.

Regarding the proposal made by Ricardo Lagos, president of the Party for Democracy, regarding the need to create an executive committee of the opposition to improve the coalition, Aylwin, smiling as usual, stated that the matter was included in the agenda, but that it had not yet been discussed.

Lagos has stated that the opposition headed by the PDC has been slow and hesitant, and that it needs more action.

**Prosecutor Seeks Prison Sentences for Reporters**  
*PY1612135088 Madrid EFE in Spanish 0323 GMT  
15 Dec 88*

[Text] Santiago, 15 Dec (EFE)—The Valparaiso naval prosecutor today requested prison sentences of 4 and 3 years for reporters for the opposition magazine HOY, Fernando Paulsen and Ivan Badilla, for offending the Chilean Armed Forces.

The reporters have 6 days to answer the prosecutor's request before the case goes to Naval Prosecutor Rear Admiral Fernando Navajas.

The two reporters were imprisoned by a naval court in Valparaiso, a port located 140 km northwest of Santiago, for 1 month before being released on bail.

The trial began after reporter Badilla wrote an article last April entitled: "Arsenal: The Business of the Armed Forces."

Paulsen is the chief editor of the magazine, and the director is Juan Pablo Cardenas.

The article referred to the recent purchase and cost of eight French helicopters by the Navy, as reported by an international magazine.

The prosecutor accused the two reporters of offending the Armed Forces and requested 3 years of imprisonment for Ivan Badilla and 4 years for Fernando Paulsen.

**Pinochet Orders Changes in Military Justice**  
*PY1612222688 Madrid EFE in Spanish 0228 GMT  
16 Dec 88*

[Text] Santiago, 15 Dec (EFE)—The Chilean Army public relations office today reported that President Augusto Pinochet has ordered changes in the military judicial system.

Contrary to what was reported 2 days ago, Special Judge Colonel Fernando Torres, who has been investigating the abortive attack on Pinochet in 1986, has not been promoted to Army judge advocate general. He has been appointed military prosecutor general.

Colonel Rolando Melo Silva has been appointed acting judge advocate general. He replaces Brigadier General Eduardo Avello.

Brigadier General Joaquin Erlbaum Thomas, who was Army representative at the Martial Court [Corte Marcial], has been placed on the retirement list.

These changes occurred a week after the Martial Court voted in favor of Erlbaum and admonished Judge Torres for overstepping his authority on the basis of complaints made by the Catholic Church Vicariate of Solidarity.

Judge Torres stated on 13 December that he was going to be named Army judge advocate general. Defense Minister Patricio Carvajal made the same comment.

Torres' statement stirred disputes and harsh criticism, including that by lawyers of the progovernment party "National Renewal," who said these changes cast doubts on the autonomy of military justice.

Human rights organizations, lawyers, and the Catholic Church have charged military justice with overstepping its authority, as in the case of the 22 journalists being prosecuted.

The military judges' rulings are reviewed by the Martial Court, which comprises Army, Air Force, and Carabineros representatives as well as two civil court judges. The Martial Court answers directly to the Supreme Court.

**Correction to Pinochet Appoints 28 New Governors**  
*PY0512173988 Santiago EL MERCURIO in Spanish*  
2 Dec 88 pp 1, C-10

The following correction pertains to the item headlined "President Pinochet Appoints 28 New Governors," published in the 2 December Latin America DAILY REPORT, page 36, column one:

line four make read... of Tarapaca, Hector Darrigrandi was named governor... (changing "Darrigrande" to "Darrigrandi")

lines nine to ten make read... and Jorge Mozo Grez, governor of Antofagasta... (changing "Dreyse" to "Grez")

lines eleven to thirteen make read... Region of Atacama, Carlos Vilches Guzman was named governor of Copiapo Province; and Ubaldo P. Prokuricca, governor of Huasco Province. (changing "Bilge" to "Vilches" and "Valdo Procuriasta" to "Ubaldo P. Prokuricca")

lines twenty to twenty-two make read... Maule, Roberto Eugenio Munita was named governor of Curico Province; Matilde Alvarez, governor of Talca Province; Juan Alberto Hiribarren, governor of Linares Province;... (changing "Monitas" to "Munita", "Beatriz de" to "Matilde", and "Irribarren" to "Hiribarren")

lines twenty-eight to twenty-nine make read... Region of Araucania, Francisco Prat Alempart was named governor... (changing "Frata Leparie" to "Prat Alempart")

lines thirty-two to thirty-three make read... Valdivia Province; Hans Schmitz, governor of Osorno... (changing "Smith" to "Schmitz")

lines thirty-seven to forty-one make read... named governor of Coyhaique Province; Jaime Hepp Aguirre, governor of Aisen Province, Qumel Sade, governor of General Carrera Province; and Luis Hidalgo, governor of Captain... (changing "Cohaique" to "Coyhaique", "Quemel Sabe" to "Qumel Sade", and "Aluiz" to "Luis")

**Colombia**

**Barco Announces 'Formal Dialogue' With M-19**  
*PA1712041988 Madrid EFE in Spanish 0219 GMT*  
17 Dec 88

[Text] Bogota, 16 Dec (EFE)—Colombian President Virgilio Barco today announced before Congress that the government "finds it convenient to begin a formal and direct dialogue" with the nationalist left-wing M-19 guerrilla movement.

In his annual report before Congress at the end of the 1988 legislative period, Barco said that the M-19 had shown its willingness to achieve peace by its words and actions.

Barco told the senators and representatives that preliminary contacts had already begun "several weeks" ago with M-19 spokesmen in southwest Cauca Department. These contacts will now acquire the official status of "formal and direct talks."

Barco also announced that the government will wait for "a prudent length of time" before giving credibility to the communist FARC's latest announcements about a unilateral Christmas cease-fire and its efforts toward peace.

He added that his government is willing to begin a direct dialogue with any guerrilla group that demonstrates, through words and actions, a desire for peace.

Barco further said the government peace plan, presented on 1 September, will serve as the basis for the talks with the M-19, and for any future talks with other guerrilla groups.

Barco said the government peace plan does not set as a prior condition "for direct talks that the guerrillas lay down their arms. This is a misinterpretation. Rather, they should stop violating human rights, abandon terrorism, and exhibit a desire for reconciliation."

Barco added that "neither state institutions nor the state structure are issues that can be negotiated with the armed groups". He said that the topics for discussion center on the "search for mechanisms and guarantees for the guerrillas' incorporation into civilian life."

Barco said the purpose of his peace plan is "to eliminate the use of weapons as instruments of political expression" and emphasized that "no one is being asked to give up his ideas, but to give up his weapons and violence."

After announcing his willingness to hold a dialogue with the M-19, Barco attacked the FARC, the Maoist Popular Liberation Army (EPL), and the Army of National Liberation Camilist Union (UCELN), whom he accused of responding to his peace plan with stepped-up guerrilla actions.

He also condemned the acts "of revenge" by extreme right-wing paramilitary groups, who have responded to the guerrillas' actions with the political murder of civilians.

Between 1 January and 30 November 1988, an average of 2 clashes between the military and the guerrillas has occurred in Colombia every day, resulting in 1,563 deaths. In addition, 2,960 people have died as a result of political murders. These people were mainly associated with left-wing groups.

**FARC Accepts Dialogue Proposed by Senator**  
*PA1512131888 Hamburg DPA in Spanish 1911 GMT  
14 Dec 88*

[Text] Bogota, 14 December (DPA)—The FARC guerrillas today delivered a recorded message to the media saying they were willing to accept a dialogue proposed weeks ago by Alvaro Leyva Duran, a senator of the opposition Social Conservative Party (PSC).

The communique read by FARC Commander Jacobo Arenas said "we reaffirm we are willing to begin a dialogue with the government in a search for a political solution to the nation's problems."

Early last week, the FARC and the M-19 said they agreed with the senator's initiative. They declared a unilateral truce with the government to make it easier to form a commission "that would be entrusted with supervising the laying down of weapons" and that would look for ways to begin a direct dialogue between the government and the guerrillas.

It is believed President Virgilio Barco Vargas will not accept Leyva Duran's idea, as he is trying to promote his own peace plan, which was outlined on 1 September. Barco's plan has been harshly criticized because it presupposes that the rebels have been militarily defeated.

**Communist Party Closes 15th Congress**  
*PA1912032488 Bogota Inravisión Television Cadena 1  
in Spanish 0000 GMT 16 Dec 88*

[Report by Amparo Ponton]

[Text] The 15th Colombian Communist Party Congress concluded by reiterating its objective of seeking a government of convergence, peace, and democracy. The sessions of the 1,000 delegates also concluded with the proposal of Manuel Cepeda, director of the newspaper VOZ, for convening a national conference to study the party's new program.

Jose Antequera, member of the UP [Patriotic Union] national executive body, made a call to President Barco and to the defense minister to disband the paramilitary groups so as to make possible a broad national agreement that will lead to peace in the country.

In an impassioned speech, Gilberto Vieira, who tonight might be reelected Communist Party secretary general, endorsed the use of different forms of struggle, expressed support for Senator Alvaro Leyva Duran's peace proposal, and accused retired General Fernando Llandabaz of being the promoter of the dirty war.

**Peru**

**EFE Previews APRA National Congress**  
*PY1712022088 Madrid EFE in Spanish 0905 GMT  
16 Dec 88*

[Text] Lima, 16 Oct (EFE)—Today the Peruvian ruling political party will begin its National Congress amid a tense atmosphere due to the severe economic crisis. The Congress could further undermine the leadership of President Alan Garcia.

The APRA, 3 years after its last Congress, will elect a new executive board, make some decisions concerning the last 18 months of Garcia's term, and define the internal correlation of forces in view of the 1989 and 1990 elections.

The APRA Congress, postponed last July due to internal problems, is attracting public attention largely due to the apparent confrontation between President Garcia and his former prime minister, Luis Alva Castro, who is presently the virtual leader of the internal opposition.

Alva Castro, a 46-year-old economist and Peruvian second vice president, is the strongest candidate for the post of secretary general of the party. This position is usually taken as springboard for APRA presidential candidates.

According to the Peruvian press, Alva Castro has the support of a majority of the 1,500 delegates to the Congress that will open tonight at the "main hall" of the APRA headquarters. The Congress will close on 19 December.

Alva's supporters include a majority of the current APRA party bloc in Congress and old party leader who were displaced by Garcia in 1982 after his surprise victory at the congress. In the 1982 Congress, Garcia, who was only 32 years old then, was named to occupy the strategic position of secretary general.

Alva Castro resigned as prime minister and economy minister in 1987 after holding those positions simultaneously since Garcia took over in 1985. Almost immediately after his resignation from Garcia's cabinet, Alva Castro was elected president of the Chamber of Deputies against the expressed opposition of the young president.

While the APRA Congresses in 1982 and 1985 set the pace for Alan Garcia's rocketing ascent, first to the leadership of the party and finally to the position of president of the nation, the current Congress may well mark the decline of his political star within the APRA.

As far as the people at large are concerned, Garcia's star is on its way down. The surveys show that only 17 percent of the people support him, as compared to the 96 percent who supported him when he came to power in 1985.

This headlong loss of popularity is the result of the severe economic crisis plaguing the country, following 2 years of vigorous economic reactivation at the beginning of Garcia's term in office.

This crisis, epitomized by an inflation of almost 2,000 percent in 1988, has given rise to criticism of Garcia within the APRA. While the leaders whispered these criticisms, radical sectors of the APRA youth resorted to overt demonstrations, taking over party premises and issuing public communiques.

Garcia claims that the disagreements within the APRA are "minor" and that unity is "a matter of principle," but the analysts clearly distinguish two main internal factions.

On one side are the "Alanistas" who follow the president and on the other are the "institutionalists" who want to give back to the party the leading role in the exercise of power that Garcia has been keeping for himself so far.

During its 60 years as an opposition party until its landslide victory at the 1985 elections, the APRA had been led by caudillos and marked by a strict subordination to the chain of command. However, after 3 and 1/2 years in power, its organization has been weakened by Garcia's personalistic approach and his control over the various APRA decisionmaking bodies.

The erosion resulting from being the ruling party, the administrative mistakes that even Garcia has acknowledged, the unprecedented economic crisis into which APRA's rule has plunged the country, and the situation prevailing within the party, are bound to influence the current Congress, APRA's 16th in 64 years of existence.

The feeling within the APRA is that the crisis for which the people are blaming Garcia and the APRA will have a negative effect on the municipal elections in 1989 and the legislative and presidential elections in 1990.

The surveys have shown that at this point the APRA is trailing in third place behind the United Left Coalition and the right-wing front led by writer Mario Vargas Llosa.

Thus, the APRA Congress is being pressured by the national situation, and a few analysts have floated the theory that if Garcia were to lose internal control over the party, a new administration would be installed. This new administration would answer only to the party leadership and not to the president, as is the case now, because the latter situation prevents the implementation of measures to curb the crisis that the very party is asking for.

With the Congress about to start, nobody was sure whether Garcia would be reelected as president of the party.

### Garcia Addresses Congress

PY1712163788 Lima Television Peruana in Spanish  
0206 GMT 17 Dec 88

[Speech by President Alan Garcia opening the 16th APRA Congress in Lima—live]

[Excerpts] Representatives of the 16th APRA National Party Congress: This period is very difficult and dramatic for the fatherland. I perceived your appreciation of the situation upon entering this new hall. I have perceived the climate of tension in the country through you, the representatives of this party, because you are the truest representatives of the people.

Today I want to appeal to you, and to all Peruvians listening, to ponder and reason on what I am about to say. First, and because I have some rights in this party, I want to tell you that when I entered the hall and heard the name of Victor Raul Haya de la Torre, I felt I had to begin by talking about his ideals.

I have been insulted by those who do not understand because I have put myself fully at the service of the ideological principles laid down by Victor Raul. I know that my transitory role here is to contribute to raising those principles to national and continental levels. [passage omitted]

Haya de la Torre has not died; he continues to lead us. The party lives through his ideas and his justice. [applause]

We have to implement his most important principles and his action program. These ideas, the APRA ideals, were expounded for the first time in Latin America 60 years ago. Today the supporters of these ideals have the responsibility of taking care of a country in crisis and of beginning to build something different for our fatherland.

Many forces oppose us. We ourselves have contributed to creating and unleashing many of these forces. But Haya de la Torre taught us to have faith and to maintain our unity to face our long and difficult struggle.

Thanks to you, and by a mandate conferred on me by you, I hold the highest position an APRA member can hold. I cannot and must not ask anything from the party of the people. I can only offer you my work, camaraderie, and acceptance of your will. I must add, however, that the principles and ideals of Haya de la Torre are at stake now and must be rescued.

The problem is not only circumstantial or a matter of electoral opinion. The problem will not be solved by changing people. I must recall that the most important APRA principle is the establishment of an anti-imperialist state. Haya de la Torre said the most important historic problem of Latin America was imperialism. He spoke of the nationalization of the land and industries.

We must pay revolutionary homage to Victor Raul by confronting and implementing his ideals, and by confronting those who do not understand and oppose them.

Fellow party members, I want to tell the 16th APRA Congress that in my opinion the priority issues are the implementation of an anti-imperialist state; tackling the foreign debt problem, which represents a scourge that impoverishes the Latin American countries; and—as I have repeated over and over again—facing the very serious problem of having mortgaged our future.

We must risk fighting alone if necessary, as we have done for over 60 years. We cannot doubt or fear because we are left alone in our just cause. Haya de la Torre has raised the banner of the construction of an anti-imperialist state through continental solidarity, and thus helped achieve the integration of our peoples. Integration is one of Victor Raul's ideals. All APRA members can look at other peoples without shame because we have promoted a slow but firm commitment towards integration. This process has begun with an agreement on consultation by the eight largest Latin American countries. This process will continue until integration is fully implemented.

Our confrontation with imperialism to prevent its military hegemony over our small sister nation, Nicaragua, has forced us to face foreign insults and reproaches as well as internal confrontations.

The effects are unavoidable. We all have the right to aspire to something. However, we all must respect our doctrine and principles, no matter the cost, the insults, or if we are pushed aside. An APRA member cannot renounce these principles without renouncing Haya de la Torre. [passage omitted]

Over a year ago, we proposed the nationalization of the financial and banking systems because the economy in a country like ours is not only a matter of growth. We wanted to change the correlation of forces within the economic system. I am not sorry I have proposed and defended the need to democratize credits and decentralize the financial power houses, essentially to narrow our social differences.

The legal and democratic process established by the Constitution placed hurdles and hindered our goals. However, we have advanced. The largest bank once owned by only three economic empires is now owned by its 6,000 employees.

Yesterday I was informed that the 6,000 employees had already paid the price of the bank and their credits in full. Now, I wonder, if they were able to pay for the bank in only 1 year, how great a profit were these powerful empires and former owners making?

I am convinced that we would have achieved greater success if we had had greater faith and a more firm determination in implementing this program. We would

have achieved more if we had not hesitated and waited for them to take the initiative. [applause] We cannot hesitate if we want our revolution to succeed. A revolution implies a decision to struggle, and not to compromise or live side by side with exploitation. [applause]

I am here as an APRA militant to defend our right to implement a popular revolution, the revolution of the Peruvian democratic left. [applause] [passage omitted]

During the first part of our term in office, we implemented an economic policy that advanced quickly distributing wealth, increasing production, and building public works here and there. It was a healthy economic policy that sought to increase production by increasing the population's consumption. One of the first conditions, however, was to limit the servicing of our debt.

If we had continued servicing, renegotiating, and refinancing the debt we would have transferred perhaps \$3 billion abroad. We chose to withhold this money and increase internal consumption. But this consumption ate away our reserve which was initially provided by our debt service withholding. We grew in 1986 and 1987 with great speed. We wanted to create new jobs and increase production to unheard-of levels. But our foreign exchange reserves could not grow at the same pace. This is an economic paradox: We had to maintain prices at low levels in order to grow and increase consumption. In order to keep prices low, we had to maintain the value of our currency. But exporters could not export if we did not devalue our currency. This process depleted our reserves.

The problem became critical in 1988. The country had grown with great enthusiasm and plaudits by all quarters, applause that faded away when the success became temporary. The applause would have continued had we been supported by people with ideals, hearts, and faith.

The situation became dramatic in 1988. The country was growing too fast, consumption was at its highest, but we did not have the reserves to back up this growth. We had to recognize our mistake before we lost all our foreign exchange.

We recognized we had created the conditions for an excessive rate of consumption and we decided we had to stop and pay the political price now to save our reserves and increase our exports.

We will use the newly generated hard currency to propel an economic reactivation and new growth so as to present ourselves before the country in 1989 and 1990 with the productive apparatus moving and growing again.

Our enemies know what we are doing. They would like us to squeeze the economy in 1988 in such a way so as to prevent our return to a healthy growth in 1989 and 1990. We chose the honest path and said we grew too much

and had to slow down. With the hard currency that we will earn with our increased exports, we will relaunch our program of economic growth and we will win the elections.

Those who thought we would lose will eat their words. [applause] I must address the economic issues because as we all know the economy directs and orients politics. The economy determines our state of mind and emotions. When the country grows and goods are distributed, everybody is happy and applauds. [passage omitted]

I am president of the Republic, but I am also a militant of our party. Therefore, I must see that our party has another opportunity. It is a fact that today our party is not as popular as 2 or 3 years ago, but such is life. We can always come back. We should all understand that our efforts to reactivate the economy are not only efforts to defend our party, but to defend the Peruvian people from programs that could prevent their return to growth and create chaos as well.

I repeat: 1989 will be much better than 1988. I cannot tell if it will be as good as 1986 or 1987, because at the beginning of our administration we had a reserve of greater political drive. Perhaps we will not achieve a 9-percent growth, because today we do not have the reserves we had then. But today we have more experience, we are much more aware, we are learning to govern. Next year will be much better because this year we did what we had to do and we paid the political cost.

In September we increased the cost of all our imports. We now spend much less on imports than during past years. During September we also raised the foreign exchange rate. This means that our exports will grow. Our opponents say this is not true, but they cannot prove anything. Our net reserves—which on 20 September stood at \$360 million—have grown to \$534 million today. We are quickly building our foreign currency reserves again because we have cut down on imports. The import rate was marching at a very generous level; we were very naive about that. I would say that during the first 2 years we implemented a naive, generous, distributive, and sometimes unwise economic policy. We rapidly consumed the reserves built up after we stopped servicing our debt. We forgot to strengthen our exports.

This is why our opponents spring at the country's throat when they see that we are defending our exports. They promoted a miners strike for months to prevent the export of minerals so as to force the APRA government to spend all the country's reserves.

I am sure that the miners strike was not incited only by the Shining Path. I am sure it was also carried out in collusion with other interests to see if by preventing the export of minerals they could force our reserves to drop

and the APRA government to surrender, so as to implement other programs that were being suggested to us. Some of our own people fell for this conspiracy.

These people confused the economic crisis with the meaning of APRA principles and said the increases showed we had failed and we had to return to the IMF so it could govern the country. They said we had to return to the banks, we had to pay back the debt, we had to withdraw all subsidies. I want to tell this congress that we do not have to confuse the temporary economic crisis with our party principles and ideals. We do not have to confuse the temporary rise of the foreign exchange rate to stimulate our exports and build our reserves, or the temporary price increase of controlled products because we withdrew part of the subsidies, with the implication of a return to the IMF, the disintegration and division of Latin America, or the consequences of servicing the foreign debt.

Many people have been cornered by our weak economic situation in September, October, and November. Many APRA militants felt their ideological stand weakening. They wanted us to say that liberal policies and the IMF were right for our people.

Our principle—that we have to limit our debt payment to sustain our growth—is still valid. It is the nationalist principle of an APRA economy that we are designing little by little. [applause]

Our opponents wanted to take advantage of our weak position to force us to renounce our principles and accept the liberal policies and market solutions. They even proposed new cabinets made up of able technicians willing to deal with the IMF and pay the foreign debt—and bring misery to our people. They proposed a cabinet willing to serve the rich because some people believe that a good economist is one who knows how to serve the powerful. Many people think he is a good economist if the powerful smile at him. That is nothing but an economy of exploitation. We support a different kind of revolution. [applause]

Our policies have generated fear in the last few months. Our programs underwent something like a witch-hunt for defects. I say that to be good APRA followers we have to be consistent with our ideology. We should not let the right wing push us around and force us to retreat. [applause] It is not hard to distinguish between the real APRA members and those who follow us in good times and then abandon ship in difficult periods. [cheers]

We, companeros, must recognize Peruvians of goodwill. I personally remember what Victor Raul Haya de la Torre said on Alfonso Garte Avenue in 1963, responding to a suggestion that we should do it alone. He said:

Alone, yes, but with all Peruvians of goodwill. As President of Peru, I refuse to deny that there are Peruvians of goodwill who can also be revolutionaries on the side of the APRA in the cause of transforming the nation. [shouts and applause]

This is, *companeros*, an open dialogue before the entire country, to which I want the entire country to listen. And this is a dialogue in which I, as president of Peru and as an APRA militant, want to assert that the APRA party should be a set of principles for transformation; the APRA party should have a concrete program for action. But I do not want 20 million Peruvians to hear us saying that only the APRA party has the ability to govern. [cheers and shouts] I defend all Peruvians of goodwill. So I do not want people with bureaucratic appetites, supposedly on behalf of Haya de la Torre, to raise their voices saying: APRA in the government. APRA in the government means revolution, not aspiration to bureaucratic positions and parliamentary formulas. [applause] We will not be silent in our defense of all Peruvians. There are many Peruvians who are like us. Perhaps the APRA message has not reached them, but they have the right to be considered just the same. The APRA is not an exclusivist party, not a sectarian party.

When Peruvians voted for the APRA in 1985, they did so because we told them we had a commitment to all of them, not that we wanted to manipulate them from bureaucratic positions. [shouts and applause] Therefore, *companeros*, before the whole country I am telling the APRA congress that it cannot fall for exclusivist and sectarian formulas. There are many capable Peruvians who must be called upon to fulfill our ideological objectives. The APRA is a set of ideological objectives that must be attained, objectives which many Peruvians can get behind. We, the APRA militants who are active in our local organizations, are just tens of thousands. So there is no reason for just tens of thousands to claim only for themselves the right to a government—which should be for all Peruvians—to implement the ideas of Haya de la Torre, although the implementation of these ideas is the objective of the APRA in power. [shouts and applause]

And as Victor Raul said: Who will moralize the moralizers? Moralization is mentioned here as though the only immoral persons were the Peruvians not affiliated with the APRA. Nobody has the right to say this. Misconduct can be found everywhere, outside but also inside the party, where many immoral persons can be found, immoral persons who are sometimes defended and not cast out. [applause]

This is why, *companeros*, I am talking to you so that the entire nation may listen to me: Divisive actions are being carried out here only to secure some congressional seats. [shouts] I am asking my *companeros* to always recall that Haya de la Torre proclaimed the APRA as the party to rally all Peruvians. This is the message for the present, at this dramatic and difficult hour when many have

deserted us. We cannot cease to call on all Peruvians in a message of true fraternity and unity, which is the message of the APRA party. [passage omitted]

The APRA was born to carry out a revolution, to free Peru from the chains of the foreign debt, and to make the people independent from exploitation by the powerful. The APRA was born with a mandate to regionalize political and economic decisionmaking. It was born to make a deep mark on the history of the fatherland. For this we were created by Victor Raul Haya de la Torre out of the clay of Peru. He shaped us and we would be nothing without his ideas, his example, his sharp profile. Without them, we would be nothing but a wandering federation of people with no idea of their identity. No, we are here because he wanted it to be so. We are here, amid the uproar of APRA's 16th Congress, to carry out the revolution of Peru ordered by Haya de la Torre—a revolution for the poor, for the peasants, for the unionists, for the people, for Latin America. This is the motto of this congress.

Long live Haya de la Torre. Long live APRA. Long live the APRA unity. Long live the APRA revolution. Long live the people of Peru.

#### Resigns as Party President

PY1812024788 Lima Television Peruana in Spanish  
0125 GMT 18 Dec 88

[Text] A few minutes ago, the nation's president, Alan Garcia Perez, sent a letter to the APRA National Congress in which he reiterates that he will not bow to sectarian pressures and that his commitment was and will be to govern all Peruvians. This is the text of the letter:

*Companeros* Luis Alberto Sanchez, Armando Villanueva del Campo, Luis Negreiros, and Fernando Leon de Vivero. Very dear *companeros*: Yesterday at the inauguration of our 16th Congress, I heard a massive shout saying: Only the APRA. This demand offends the national and popular significance of our party, grieves the Peruvians, and makes us revert to sectarianism. If the shout was for deepening the social changes, I would accept it and obey it, because I believe the APRA doctrine is revolutionary. I also believe that Haya de la Torre is not only the chief of the APRA party, but leader of all Peruvians.

However, yesterday's massive shout depicts the APRA of Haya de la Torre as though only APRA people have the right to be honest, to share ideas, and to occupy public positions—only those who are party militants and hold party cards. I do not believe this, nor will I accept it. Thousands of APRA people at all levels perform government tasks, but some APRA members who have not reached those positions or who aspire to occupy those positions have publicly adopted attitudes that are unworthy of the movement of Haya de la Torre. I have to

respond to them by recalling that there are millions of Peruvians who, while not being APRA affiliates, do have good will and good faith, and could share our ideals.

In no way could I renounce the promise of a commitment to all Peruvians. Moreover, it should be recalled that for 2 years under the Alva Castro cabinet of 14 civilian ministers, 12 were from the APRA. The Larco Cox cabinet had an identical number, as does the cabinet headed by Armando Villanueva del Campo. However, I heard that an APRA cabinet must be appointed, as though these three cabinets were not APRA cabinets, or as though not holding a party card were a disgrace.

A great movement like APRA should be generous and should have a rallying power. It should not give up its major ideological principles and its objective of building an anti-imperialistic state. This requires a position on our debt, a struggle against the IMF, to face up to power groups and to promote integration. We should not give up this great, far-reaching objective. Nor can we give up our ethical standards, but we cannot use this as a pretext to promote partisan interests. Nor can we forget that any moralization effort should start within our party, without overlooking the most serious cases.

After achieving victory in 1985, APRA created the office of APRA president. Today, as I stated to our party in a letter in July, things have changed. I am no longer the undisputed person I was 3 years ago. I am no longer the man who achieved victory. I am an APRA member who has become the target of all kinds of insults and who could unwillingly hurt those standing at his side.

I am not sorry, however, for having fought against the great powers. The life and spirit of Haya de la Torre will be instrumental in showing anyone the reason for my loneliness.

I am a die-hard APRA member, my father and grandfather were militant APRA members, but under the present circumstances, and after what was stated last night by the APRA Congress, I do not believe it would be loyal for me to represent the position of APRA president. I am and I will continue to be a disciplined APRA member. Nothing will make me break away from the APRA and its decisions, but I can no longer hold its highest position.

Since one APRA Congress created the post of APRA president, I am turning this office over to another APRA Congress unblemished, and thus I will remain an APRA member to continue to support our party.

In 1990, as an ordinary citizen, I will continue to work day after day with you to always defend the APRA's revolutionary and nationalist character.

Let us honor the memory of the old man and of our dead leaders, and the faith of all long-time true APRA members. Haya de la Torre is not dead because his doctrine has spread throughout Latin America, and he will remain as the leader of the cause of the Peruvian people.

With faith, unity, discipline and action,

Signed: Alan Garcia Perez, president of the Republic

#### Congress Supports Garcia

PY1912023188 Lima Television Peruana in Spanish  
0100 GMT 19 Dec 88

[Text] The plenum of the APRA 16th National Party Congress has unanimously agreed to express its fraternal support for President Alan Garcia Perez and to provide its complete cooperation to fulfill the APRA basic principles.

This statement was released during the 3d day of the APRA Congress. The statement says:

Taking into consideration the progressive and fruitful work being conducted by Alan Garcia from the high position of president of the Republic at the service of popular interests and in safeguarding national sovereignty, which has defeated the stubborn and selfish position of the oligarchs and demagogues, the APRA 16th National Party Congress decides:

To renew its fraternal support for the government administration of Companero Alan Garcia Perez and to reiterate its decision to provide its complete cooperation for the fulfillment of the basic APRA principles, which are represented by the slogan: Bread with freedom at the permanent service of social justice and in full compliance with the national Constitution. Signed: Fernando Leon de Vivero, Luis Alberto Sanchez, Luis Alva Castro, Luis Negreiros Criado, Victor Tirado, Alfonso Ramos Alva, and Alberto Vera Larosa.

#### Congress Organizers' Communique

PY1912114988 Lima Television Peruana in Spanish  
0100 GMT 19 Dec 88

[Communique issued by the organizing committee of the 16th APRA Congress in Lima on 18 December]

[Text] The Organizing Committee of the 16th APRA National Congress, which bears the name of Victor Raul Haya de la Torre, believes that it must make the following information available to the people:

1. The opening of the 16th National Congress on 16 December was a free public ceremony, and the doors of party headquarters were open to all. No personal identification papers were requested. That is the way these ceremonies have always been held, openly and without any kind of restriction.

2. Thanks to the broadcasts and publications of various media that enjoyed absolute freedom to report, it is well known that there were unfortunate incidents that included hostile shouts by people who stood with their right arms raised and their fists clenched, a gesture which is not common among APRA militants.

3. A review of video tapes and photographs has shown that persons alien to the APRA were present at the meeting and that they instigated these incidents.

4. We repudiate this because it is not in keeping with the fraternal discipline that prevails within the APRA, and we convey our solidarity and support to our companero Alan Garcia Perez, the constitutional president of the Republic and president of our great party.

5. We are sure that the 16th National Congress, which bears the name of Haya de la Torre, will convey its full support to companero Alan Garcia Perez and will reject the resignation that he submitted as president of the party, the job with which he was entrusted at the 15th National APRA Congress.

Signed: Fernando Leon de Vivero, chairman of the organizing committee of the 16th APRA Nation Congress, which bears the name of Victor Raul Haya de la Torre.

**Police Report on Counterfeit U.S. Currency**  
PY161214488 Madrid EFE in Spanish 0346 GMT  
16 Dec 88

[Text] Lima, 15 Dec (EFE)—Police sources reported in Lima today that over \$30 million from drug trafficking enter Peru illegally from Colombia and that a large portion of that money is counterfeit.

According to the ANDINA news agency, police sources reported that over 200,000 \$50 and \$100 counterfeit bills circulate in the illegal Lima black market.

They added that the counterfeit U.S. dollars are used with authentic U.S. currency in the illegal transactions made by international drug traffickers in the Peruvian jungle, where Colombian airplanes land to take the cocaine base made in that region.

The sources also indicated that another point through which the counterfeit U.S. dollars enter Peru is Aguas Verdes, at the Ecuadoran border.

They added that the counterfeit U.S. currency is made in the "offset" system which reproduces details extremely well, but provides poor-quality paper.

**Three Shining Path Members Die in Police Clash**  
PY1512140488 Madrid EFE in Spanish 0443 GMT  
15 Dec 88

[Text] Lima, 14 Dec (EFE)—It was reported today in Lima that three alleged members of the Peruvian terrorist organization Shining Path died in an armed confrontation with a police patrol in the Andean Department of Apurimac.

The confrontation took place on 13 December in the neighborhood of Asocasi, which is located in the same region as Haquira, the village in which two French engineers and two Peruvians were murdered on 4 December by members of the Shining Path group.

According to press sources, a campesino also died in the confrontation.

The police patrol is part of a unit that was sent to the area, located in the province of Cotabambas, to pursue the group that murdered the engineers, the sources added.

Apurimac Department, which has the city of Abancay as its capital, is located 970 km southeast of Lima, and together with neighboring Ayacucho Department and Huancavelica were declared to be in a state of emergency and placed under military control 6 years ago due to the terrorist activities of Shining Path.

**Terrorists Murder Mayor, Secretary, Driver**  
PY1612122988 Lima Television Peruana in Spanish  
1100 GMT 16 Dec 88

[Text] Subversives have murdered Cayara Mayor Justino Tingo Garcia. A subversive commando intercepted a truck carrying the mayor and other people on its way to Ayacucho. The terrorists also murdered the mayor's secretary Fernandina Quispe, and the driver, Antonio Garcia.

**Social Security Employees Lift Strike**  
PY1712010988 Lima Television Peruana in Spanish  
1800 GMT 16 Dec 88

[Text] Social Security employees this morning lifted the strike they started 17 days ago.

Flavio Rojas, secretary general of the Peruvian Social Security Union, announced that Social Security President Felipe Santiago Saladerry has agreed to pay 30 percent of what is owed to the employees.

The 42,000 Social Security employees will return to work this afternoon, according to Rojas.